

2006 Comprehensive Annual Financial Report for Shelby County (CAFR)

Shelby County provides a full range of services, including law enforcement, judicial system, jail and correction facilities, health services, community services, fire protection and recreational activities. This CAFR is a comprehensive overview of these financial activities

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The financial reports and statements included on this web page represent the financial position and results of operations as of and for the year ended June 30, 2006.

I have read the disclaimer and wish to view the June 30, 2006 Comprehensive Annual Financial Report

**Comprehensive
Annual Financial Report
Of
Shelby County, Tennessee
For The Year Ended
June 30, 2006**

Prepared by the Department of Finance

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SINGLE AUDIT



Shelby County Government

A C Wharton, Jr.
Mayor

November 27, 2006

To the Members of the Board of County Commissioners and the Citizens of Shelby County, Tennessee:

The comprehensive annual financial report of Shelby County, Tennessee (hereafter, Shelby County) for the year ended June 30, 2006 is hereby submitted as required by both local ordinances and state statutes. These require that Shelby County publish each fiscal year a complete set of financial statements as required by Generally Accepted Accounting Principles (GAAP) and audited by a firm of licensed certified public accountants.

Management assumes full responsibility for the completeness and reliability of all of the information presented in this report based upon a comprehensive framework of internal controls that have been established for this purpose. Because the cost of internal controls should not exceed anticipated benefits, the objective is to provide reasonable rather than absolute assurance that the financial statements are free from any material misstatement.

Thompson Dunavant PLC, certified public accountants have issued an unqualified opinion on Shelby County's financial statements for the fiscal year ended June 30, 2006. The independent auditors' report is presented as the first component of the financial section of this report.

Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides an analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

Profile of Shelby County, Tennessee

Shelby County, established in 1819, is the largest county in the State of Tennessee with Memphis as the County seat. The County is located in the extreme southwest corner of Tennessee on the east bank of the Mississippi River and is the hub of the 105 county Mid-South Region. Contained within the County's 783 square miles are seven incorporated municipalities, including Arlington, Bartlett, Collierville, Germantown, Lakeland, Memphis and Millington. The population of the County is 903,186. The County is empowered to levy, without limit, a property tax on both real and personal property located within its boundaries.

Since the implementation of the Restructure Act on January 1, 1976, the County has operated under the Mayor-Commission form of government. The Mayor, as the County's chief executive officer, oversees the operations of the County's six divisions. The thirteen members of the Shelby County Board of Commissioners (the Commission), the legislative branch of the government, review and approve the County's programs and budgets. The Mayor and each

Commissioner serve a four year term. The Sheriff, County Clerk, Assessor, Register, Trustee, Circuit Court Clerk, Criminal Court Clerk, General Sessions Court Clerk, Juvenile Court Clerk and Probate Court Clerk are also elected to four year terms.

Shelby County provides a full range of services, including law enforcement, judicial system, jail and corrections facilities, health services, community services, fire protection and recreational activities. Shelby County also is financially accountable for a legally separate school district, public hospital, agricultural center and emergency communications district, which are reported separately within the Shelby County financial statements. Additional information on these entities can be found in Note I. A. in the notes to the financial statements.

The annual budget serves as the foundation for Shelby County's financial planning and control. All departments and elected officials submit their requested budget to the County Mayor by early March. After a series of reviews, the County Mayor presents a proposed consolidated budget to the County Commission by April 30. The County Commission holds budget hearings and then adopts a final budget. This process is generally completed by July 1, the start of the fiscal year. However, the County Commission has the authority to adopt a continuing budget until a final budget can be adopted. The appropriated budget is prepared by fund, division (function such as public works), and department (e.g., parks). The Mayor may make transfers of appropriations within personnel or non-personnel categories within a department or between departments within a division. Any other transfers require approval of the County Commission.

Local economy

Shelby County experienced growth in the local economy this past year as did most of the country. In recent years, the economy of the County has experienced notable success attracting new businesses along with the continued growth of existing businesses. In 2005 and 2006, there have been over 150 expansions or relocations in Shelby County, resulting in over 11,000 net new jobs and over \$1.6 billion in new capital investment. Shelby County experiences relatively steady total employment during periods of sluggish growth or decline in the national economy with substantial increases when the national economy improved. This is due, in large part, to the County's location near the geographic center of the nation and its excellent transportation facilities. Also, the County benefits from serving as the trade center for the surrounding area and benefits from a broad industrial and commercial base, as noted below.

The County is the major wholesale and retail center for western Tennessee, eastern Arkansas and northern Mississippi. The Memphis MSA is considered one of the top 100 suburban markets and ranks in the top fifty in total effective buying income according to Sales & Marketing magazine. The industrial economy of the County encompasses not one, but many industries. Twenty major industrial groups, as classified by the Bureau of the Budget, are listed in the Directory of Memphis Manufacturers. Major industries include chemicals, electronics, foods and beverages, paper products, hardwood lumber products, pharmaceuticals, soybean and cotton oil derivatives and fertilizers.

The major areas of employment in Shelby County are the services, government, and wholesale and retail trade. Comparatively, both the Southeast Region and the United States overall show a heavier concentration in manufacturing than does the County, but they also display lower employment in transportation and public utilities. According to the Tennessee Department of

Labor, the unemployment rate for Shelby County as of September 30, 2006 was 5.1%, as compared to the state's rate of 4.6% and the national rate of 4.6%.

Long-term financial planning

During the past ten years, excluding capital projects, the County's governmental expenditures related to education, law enforcement and debt service have increased as a percent of total expenditures from 56.3% to 67.7%. Education expenditures increased by 8.9% to 38.6% in 2006.

During this same ten-year period, local taxes have increased as a percent of total revenue from 67.4% to 75.2% because the areas of relative increase in expenditures are primarily supported by local taxes. As a percent of total revenue, State revenue has decreased from 11.2% to 9.9%, elected officials fees and fines have decreased from 9.2% to 6.4% and local revenue has decreased from 6.0% to 4.1%.

In 2003, the Mayor, with the support of the Commission, made it a priority to replenish and then maintain the General Fund unreserved fund balance as a percent of General Fund expenditures between 10% and 15%. This percentage has increased each of the last three years and is 13.3% as of June 30, 2006.

In 2004, the Administration, with the support of the Commission engaged Public Financial Management, Inc. (PFM), a financial advisory firm, to conduct a study to determine whether Shelby County Government is operating efficiently and effectively. The result of this study was the issuance of a five-year strategic financial and management plan. The study found that Shelby County Government is relatively efficient compared to similar governments, but it also highlighted a number of areas for improvement. All of the recommendations have been addressed and many were implemented. We are now working with PFM to update the five-year strategic financial and management plan.

Closer cooperation has been established between the Administration and the Commission including an open, thorough and timely budgeting process, which focuses on a clear understanding of debt funding, in addition to funding for operations. We have aggressively reduced our capital plan from over \$150 million in 2003 to under \$80 million annually starting in 2008 to stop the growth of debt. However, the City and County School Systems have identified needs well beyond the amounts provided in our capital plan. Through growth management and needs assessment as addressed below, school needs will be more clearly identified and alternative funding sources may be established. Should any increase to the capital plan be necessary, funding must also be provided. The Sheriff has indicated a need for a new jail at an expected cost of \$150 to \$200 million. The Sheriff has indicated that an improved design will result in cost savings through staff reductions in excess of the annual debt service on a new jail.

Major initiatives

The Administration has identified a number of priorities designed to shore up the long-term financial position of the County as addressed above in long-term financial planning. We have established the following initiatives that focus on structural changes in areas that are important to our future prosperity.

1. **Update of Development Regulations/Equitable Growth Strategy** – The Mayor's Alliance for Equitable Growth has set a precedent for shifting the county's growth and development patterns. Equitable growth will allow the county to protect the environment, reinvest in urban areas, bring economic opportunity to all residents, provide for intelligent infrastructure investment and stimulate housing choices. Under the Mayor's direction, Shelby County is drafting smarter development regulations that will curtail suburban sprawl and help develop Shelby County as a better community.

A joint city and county partnership, the unified development code's goal is to promote inner city redevelopment and revitalization while guiding orderly growth in the suburban areas in a fiscally sound manner.

2. **Education, Capital Needs & Fiscal Analysis** – The County established a Needs Assessment Committee to address the financial burden of the current capital funding mechanism for public schools, including both Memphis City Schools and Shelby County Schools. The Committee will: 1) Develop uniform standards and costs for school construction; 2) Annually assess capital needs of each school system and create a comprehensive plan for capital projects and funding; and 3) Review, as necessary, capital requests of both school systems that fall outside of the comprehensive plan and make recommendations to the County Commission regarding those requests.

Part of equitable growth includes guiding the construction of new schools to achieve maximum performance and fiscal advantage out of each school. Involved in the development of new schools is the fiscal impact model update. The model measures the impact of each new development on a community to determine facts like how many school age children will live there and how many roads and parks are necessary.

3. **Early Development and Education** – Shelby County Government is making early childhood development a priority in our community. The first five years of a child's life sets the stage for success in school, work and life. Shelby County is home to 19% of Tennessee's child population, more than the state's other major metro areas combined. Early childhood development is critical to future funding requirements in schools, criminal justice and public health.

Over the past two years The First Years Institute and Memphis Tomorrow, in collaboration with the County, conducted a year-long, broad based community planning process to address the needs of Shelby County's youngest citizens who receive care and education outside of their homes each day. The ultimate goal of the plan is to implement a strategy that prepares every child in Shelby County to enter school ready to learn. The plan's five-year objectives include increasing the number of high quality early care and education programs, improving the quality and consistency of early care and education workforce and increasing parental demand for high quality programs.

4. **Economic Development** – One of the County's primary advantages for economic development is the combination of its central location in the United States and its excellent transportation facilities, including air, rail and water. Another advantage is the relatively low cost of living compared with other urban areas, including real estate prices.

In order to build on these natural assets and recognizing that the local governments must take a leadership role in economic development, the City and County governments have formed a new "Mayor's Office of Economic Development" and have initiated a nation wide search for a new Director to lead this office.

Further, in conjunction with the City, Memphis Tomorrow (a group of leading CEO's) and the Chamber of Commerce, the County is embarking on a broad economic growth initiative called *Memphis Fast Forward*. In addition to the specific component for economic development, this initiative includes strategic plans for education/workforce development; public safety and government efficiency. It is our intent to aggressively move over the next five years to become the major economic center of the Southern United States and a place where economic prosperity is available to all our residents.

5. **Parks and Natural Resources** – The protection of Shelby Farms, the development of a cohesive greenbelt and the protection of a strong natural water supply are three important steps in making Shelby County an environmentally responsible community and an attractive destination for outdoor enthusiasts.

Nearly four times larger than New York's Central Park, Shelby Farms is a recreational gem for families, athletes and sportsmen. To preserve this 4,000 acre park for future generations, Mayor Wharton is leading a coalition of citizens and government planners to develop a 50-year master plan. The plan will preserve the park's integrity and make it more functional for community enjoyment.

Shelby County's natural rivers and streams attract the community's nature lovers from both urban and suburban dwellings. Using federal, state and local funding, the County is working to create a cohesive greenbelt that protects the natural areas and connects the County's communities from downtown Memphis to Collierville, Frayser and all points in between.

Being able to enjoy clean drinking water is a given for Shelby County and its residents. The county sits on one of the largest artesian ground water supplies in the world and the area's abundant supply of naturally pure water has fueled the local economy for a century. Through the Memphis Regional Groundwater Study, Shelby County is using federal funds to ensure water quality is protected and sustained.

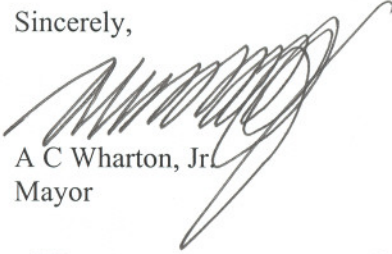
Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Shelby County, Tennessee for its comprehensive annual financial report (CAFR) for the year ended June 30, 2005. This was the twenty-first consecutive year that Shelby County has received this prestigious award. In order to be awarded the Certificate of Achievement, a government had to publish an easily readable and efficiently organized CAFR that satisfied both generally accepted accounting principles and applicable legal requirements.

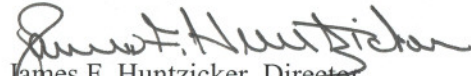
A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement program requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report could not have been accomplished without the efficient and dedicated services of the entire staff of the Finance Department. We would like to express our appreciation to all members of the departments who assisted and contributed to the preparation of this report. Due credit also is given to all County Commissioners for their interest and support in planning and conducting the operations of Shelby County in a responsible and progressive manner.

Sincerely,



A C Wharton, Jr.
Mayor


James F. Huntzicker, Director
Division of Administration & Finance

**Shelby County, Tennessee
County Officials
As of June 30, 2006**

Shelby County Board of Commissioners

**Tom Moss, Chairman
Joe Ford, Chairman Pro Tempore**

**Joyce Avery
Walter Lee Bailey, Jr.
Julian Bolton
George S. Flinn, Jr.**

**Michael A. Hooks
Cleo C. Kirk
David Lillard
Marilyn Loeffel**

**Deidre Malone
Bruce Thompson
John Willingham**

Publicly Elected Officials

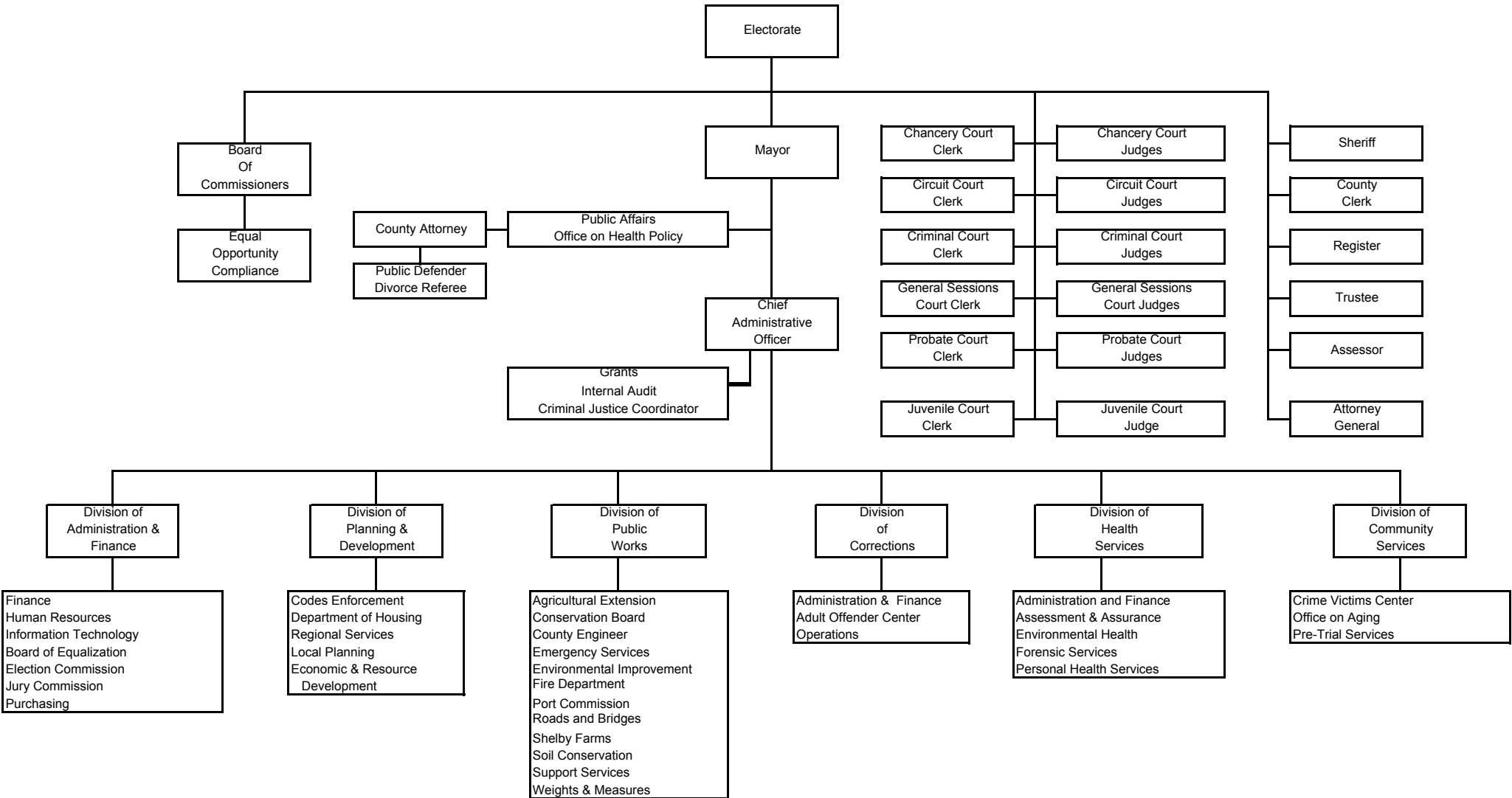
**Assessor of Property – Rita C. Clark
Attorney General – William L. Gibbons
County Clerk – Jayne Creson
County Mayor – A C Wharton, Jr.
County Register – Tom Leatherwood
County Trustee – Bob Patterson
Sheriff – Mark H. Luttrell, Jr.**

**Chancery Court Clerk & Master –
Kenny W. Armstrong (Appointed)
Circuit Court Clerk – Jimmy Moore
Criminal Court Clerk – William R. Key
General Sessions Court Clerk – Chris Turner
Juvenile Court Clerk – Steve Stamson
Probate Court Clerk – Chris Thomas**

Shelby County Administrative Officials

**A C Wharton Jr. - Mayor
John Fowlkes - Chief Administrative Officer
Sybille Noble - Assistant Chief Administrative Officer
Brian Kuhn - County Attorney
James Huntzicker - Director of Administration and Finance
Richard Copeland - Director of Planning and Development
Theodore C. Fox III - Director of Public Works
Andrew Tabor, Jr. - Director of Corrections
Yvonne Smith-Madlock - Director of Health Services
Linda Rendtorff - Director of Community Services**

Shelby County Government Organizational Chart



Certificate of Achievement for Excellence in Financial Reporting

Presented to

Shelby County
Tennessee

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2005

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director

Independent Auditor's Report

To the Chairman and Members
Shelby County Board of Commissioners and
the Mayor of Shelby County, Tennessee
Memphis, Tennessee

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Shelby County, Tennessee, as of and for the year ended June 30, 2006, which collectively comprise Shelby County Tennessee's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Shelby County, Tennessee's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Shelby County Health Care Corporation, Agricenter International, Inc., and Emergency Communications District of Shelby County, Tennessee which represent \$186,876,518 and \$313,774,117, respectively, of the assets and revenues of the component units, and Shelby County Retirement System, which represents \$907,584,802 of the assets and 100% of the revenues of the fiduciary funds. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for those component units and Shelby County Retirement System, is based on the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinions.

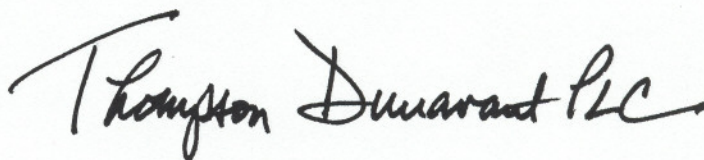
In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Shelby County, Tennessee, as of June 30, 2006, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 9, 2006 on our consideration of Shelby County, Tennessee's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Management's discussion and analysis on pages 13 through 27 and the budgetary comparison information and the Shelby County Retirement System Schedule on pages 93 through 96 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We and the other auditors have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Shelby County, Tennessee's basic financial statements. The accompanying financial information listed as combining and other statements and schedules and other budgetary comparison schedules in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied by us and the other auditors and, in our opinion, based on our audit and the report of other auditors, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The introductory section and statistical section as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The introductory section and statistical section have not been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and, accordingly, we express no opinion on them.

A handwritten signature in black ink that reads "Thompson Dunavant LLC". The signature is written in a cursive, flowing style.

Memphis, Tennessee
November 9, 2006

Management's Discussion and Analysis

The management of Shelby County Government (County) presents this narrative overview and analysis of the County's financial activities for the fiscal year ended June 30, 2006. We encourage readers to consider the information presented here in conjunction with information in the transmittal letter found at the front of this report and the basic financial statements, which follow in this section.

Accounting principles generally accepted in the United States of America for governmental entities are established by the Governmental Accounting Standards Board (GASB). This is the fifth annual financial report issued by Shelby County using the standards established by the GASB's Statement No. 34 *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments*. Statement No. 34 made significant changes to financial reporting, including new "government-wide" financial statements. Shelby County follows all GASB standards in addition to Statement No. 34 as well as other authoritative literature known collectively within the accounting profession as "generally accepted accounting principles."

Financial Highlights

- At the end of the current fiscal year, unreserved undesignated fund balance for the general fund was \$41,147,243, or 13.3 percent of total general fund expenditures. This was an increase of \$3.6 million or a 9.6% increase.
- In addition to the general fund balance increase noted above, the County also by transfers from the general fund created a pay-as-you-go capital projects fund of \$13.9 million and an economic development fund of \$1.5 million.
- Fund balance for the debt service fund increased \$26.7 million to \$55,924,980, which is 40.0% of total expenditures of the debt service fund. The balance is well above our target minimum level of \$4 million and consistent with our plan to provide now for increasing debt service requirements through 2009.
- Total liabilities of Shelby County exceed total assets as of June 30, 2006 by \$990,334,242. The largest contributing factor causing this deficit is the fact that the County issues debt on behalf of entities not a part of the County's primary financial reporting unit and the related assets are not recorded by the County. These entities include the school systems of Shelby County and the City of Memphis, joint ventures with the City of Memphis, and others. Debt for these entities as of June 30, 2006 was \$1,296,570,718.
- Total net assets increased from the amount reported last year due to a restatement of beginning balance of \$336.7 million because of the capitalization of infrastructure assets acquired prior to July 1, 2001. Note IV (Q) explains this more fully.
- Total net assets increased \$37.4 million as a result of the fund balance increases noted above in the general and debt service funds, a \$12.7 million increase in net assets of the internal service funds and other smaller changes.

More details on these highlights and other information are in the remainder of this discussion and analysis.

Overview of the Financial Report

The Comprehensive Annual Financial Report includes three major sections – Introductory Section, Financial Section, and Statistical Section. The Introductory Section includes a transmittal letter and general information about the County. The Statistical Section includes financial and non-financial data, some from sources other than financial records and often covering up to ten years. The Financial Section is the major part of the financial report. The Independent Auditor's Report applies only to the Financial Section. This discussion and analysis applies only to the Financial Section.

The Financial Section includes the following statements and schedules:

- Basic Financial Statements
 - Government-wide financial statements
 - Fund financial statements
 - Notes to financial statements
- Required Supplemental Information (Budgetary Comparison Schedules)
- Combining Statements and Individual Fund Statements and Schedules

BASIC FINANCIAL STATEMENTS

Shelby County's basic financial statements are comprised of three components: 1) government-wide financial statements; 2) fund financial statements; and 3) notes to the financial statements.

Government-wide financial statements. The *government-wide financial statements* are designed to provide a broad overview of Shelby County's finances in a manner similar to a private-sector business. The two government-wide financial statements present highly summarized information for all of County government.

The *statement of net assets* presents information on all of Shelby County's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of changes in the financial position of Shelby County. However, because the County issues substantial amounts of debt for capital assets of others, such as the Memphis City Schools, annual decreases in net assets are expected in years when such debt is issued.

The *statement of activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying economic event giving rise to the change occurs, *regardless of the timing of related cashflows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of Shelby County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through

user fees and charges (*business-type activities*). The governmental activities of Shelby County include general government, hospital, planning & development, public works, corrections, health services, community services, law enforcement, judicial, other elected officials, education and interest on debt. The business-type activities of Shelby County consist of codes enforcement, fire services and corrections.

The government-wide financial statements include not only Shelby County itself - known as the *primary government* - but also four legally separate entities for which Shelby County is financially accountable. These entities are the Shelby County Board of Education, Shelby County Health Care Corporation (The Med), Agricenter International, and the Emergency Communications District. Financial information for these *component units* is reported separately from the financial information presented for the primary government itself. This discussion and analysis is devoted to Shelby County government rather than the component units.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Shelby County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of Shelby County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is more narrow than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

Shelby County maintains twelve individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the general fund, debt service fund, capital projects fund, education fund, and grants fund, all of which are considered to be major funds. Data from the other seven governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the nonmajor governmental funds combining statements elsewhere in this report.

Proprietary funds. Shelby County maintains two types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide

financial statements. Shelby County uses enterprise funds to account for Consolidated Codes Enforcement, Correction Center and Fire Services. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among Shelby County's various functions. Shelby County uses internal service funds to account for its central services, group hospital, group life, tort liability and employer insurance funds. Because these services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for each enterprise fund. Internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of a *combining statement* elsewhere in this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support Shelby County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The Shelby County Retirement System is the major fiduciary fund.

Component units combining statements. Component units are not "funds" of Shelby County as the primary government. However, the government-wide financial statements include one column for all component units as discussed above. In order to provide details on each component unit, a combining statement of net assets and a combining statement of activities are included in the fund financial statements section of the basic financial statements.

Differences between government-wide and fund financial statements. The government-wide financial statements are much more aggregated and summarized than the fund financial statements. The government-wide statement of net assets includes capital assets and long-term debt, whereas the fund balance sheets include neither. The government-wide statement of activities does not report the issuance or repayment of long-term debt during the year and reports depreciation expense but not amounts expended for capital assets during the year. The fund statement of revenues, expenditures and changes in fund balances includes as other financing sources the amount of long-term debt incurred during the year and as expenditures the amount of principal repaid. This statement also includes amounts expended for capital assets but not depreciation. These are some of the most common, significant differences but there are others. Following the fund balance sheet and the fund statement of revenues, expenditures and changes in fund balances is a reconciliation of those statements to the government-wide statement of net assets and the statement of activities.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. "Notes" is the traditional term applied to this information; however the term is misleading in that the notes can vary in length from one paragraph to several pages.

REQUIRED SUPPLEMENTARY INFORMATION

This section contains other information that financial reporting standards specify should be included under this caption. Shelby County is required to present information on budgetary compliance and the retirement system. Budgetary comparison schedules are presented for the general fund and other "major" special revenue funds (the education fund and the grants fund) to demonstrate compliance with their budget. Other budgetary comparison schedules not fitting the criteria defined for this section are presented under "Combining Statements and Individual Fund Statements and Schedules." For the Shelby County Retirement System (a fiduciary fund), the required supplementary information is a schedule of funding progress.

COMBINING STATEMENTS AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

Combining fund statements for the non-major special revenue funds and internal service funds are included in this section of the report. Supplemental schedules include general fund and grants fund budgetary comparisons by department, detail of constitutional officers' activities and schedules of debt by debt issue.

**Government-wide Financial Analysis
(Reporting the County as a Whole)****FINANCIAL POSITION**

Table 1 shows a condensed version of the Statement of Net Assets (see the government-wide financial statements for the full version as of June 30, 2006). This statement shows the financial position of the County as a whole at specific points in time – in this case as of June 30, 2006 and as of June 30, 2005. The 2005 amounts have been restated for items reported in Note IV (Q) of the Notes to Financial Statements.

Property taxes receivable is by far the largest portion of Shelby County's assets (45.7% at June 30, 2006 and 46.5% at June 30, 2005). The June 30, 2006 property taxes receivable includes \$688.4 million, offset by an equal deferred revenue amount in other liabilities, which became a property lien on January 1, 2006 but are levied for next fiscal year's operations. The similar amount at June 30, 2005 was \$641.9 million. Total assets increased \$134.2 million, attributable primarily to increases in property taxes receivable (\$50.6 million) and cash and cash equivalents (\$72.4 million).

Liabilities increased \$96.8 million during the year. This increase was due primarily to a net increase of \$184.4 million in long-term debt and \$67.2 million in deferred revenues, offset by decreases of \$131.0 million in notes payable and \$22.1 million in accounts payable and accrued liabilities.

Table 1
Condensed Statement of Net Assets

Management's Discussion and Analysis
June 30, 2006

As of June 30, 2006 and June 30, 2005

	June 30, 2006	June 30, 2005	Change
<u>Governmental Activities</u>			
Property taxes receivable	\$ 734,035,950	\$ 683,388,277	\$ 50,647,673
Current and other assets	258,225,960	182,230,392	75,995,568
Capital assets	572,933,781	566,884,067	6,049,714
Total assets	1,565,195,691	1,432,502,736	132,692,955
Long-term liabilities	1,799,887,983	1,615,507,305	184,380,678
Other liabilities	788,278,259	876,309,709	(88,031,450)
Total liabilities	2,588,166,242	2,491,817,014	96,349,228
Invested in capital, net of related debt	156,764,887	171,608,508	(14,843,621)
Restricted	80,104,201	46,561,030	33,543,171
Unrestricted	(1,259,839,639)	(1,277,483,816)	17,644,177
Total net assets	(1,022,970,551)	(1,059,314,278)	36,343,727
<u>Business-Type Activities</u>			
Current and other assets	11,354,202	8,845,780	2,508,422
Capital assets	27,935,169	28,975,090	(1,039,921)
Total assets	39,289,371	37,820,870	1,468,501
Long-term liabilities	5,052,493	5,066,405	(13,912)
Other liabilities	1,600,569	1,126,468	474,101
Total liabilities	6,653,062	6,192,873	460,189
Invested in capital, net of related debt	27,213,452	28,180,902	(967,450)
Unrestricted	5,422,857	3,447,095	1,975,762
Total net assets	32,636,309	31,627,997	1,008,312
<u>Total Primary Government</u>			
Property taxes receivable	734,035,950	683,388,277	50,647,673
Current and other assets	269,580,162	191,076,172	78,503,990
Capital assets	600,868,950	595,859,157	5,009,793
Total assets	1,604,485,062	1,470,323,606	134,161,456
Long-term liabilities	1,804,940,476	1,620,573,710	184,366,766
Other liabilities	789,878,828	877,436,177	(87,557,349)
Total liabilities	2,594,819,304	2,498,009,887	96,809,417
Invested in capital, net of related debt	183,978,339	199,789,410	(15,811,071)
Restricted	80,104,201	46,561,030	33,543,171
Unrestricted	(1,254,416,782)	(1,274,036,721)	19,619,939
Total net assets	\$ (990,334,242)	\$ (1,027,686,281)	\$ 37,352,039

“Net assets” are the difference between assets and liabilities and, in a general sense, may be considered the recorded financial “net worth” of the County. The most obvious concern that can be noted about net assets is the large negative net asset amount. The major factor causing this negative net asset amount relates to debt issued for capital assets (buildings, roads, etc.) where

the capital asset values are *not* recorded in the County's financial records but the debt *is* on the County's records. Some of this debt has been issued to provide capital assets to component units of the County, including the Shelby County Board of Education and the Shelby County Health Care Corporation (The Med). These component units report the capital assets but not the debt. Other debt is issued for entities not a part of the County reporting entity, including the Memphis City Schools Board of Education and the Convention Center. As a result of reporting the debt liabilities without reporting the assets acquired with the proceeds of the debt, a negative net asset amount is reported in the County's statement of net assets.

The following long-term debt and notes payable are reported by the County for which related capital assets are not recorded by Shelby County:

	June 30, 2006	June 30, 2005
Shelby County and City of Memphis schools	\$ 1,052,751,140	\$ 996,948,343
Shelby County Health Care Corporation (component unit)	105,785,458	109,735,538
Convention Center (joint venture)	76,322,265	73,511,090
Other	61,711,855	64,391,999
Total	\$ 1,296,570,718	\$ 1,244,586,970

Shelby County, the component units, and other entities (such as Memphis City Schools) use these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Shelby County's investment in its capital assets is reported net of related debt, the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

The County's total net assets increased by the net amount of \$37.4 million. Excluding the increase in debt for which the related capital assets are not recorded by Shelby County (schedule above) of \$52.0 million, the County's total net assets increased by \$89.4 million. Changes in net assets are discussed below.

CHANGES IN NET ASSETS – REVENUES, EXPENSES AND TRANSFERS

Table 2 summarizes the financial activity for the County as a whole for the fiscal year ending June 30, 2006, with comparative amounts for the fiscal year ending June 30, 2005.

For governmental activities, program revenues are those revenues generated by the department or program as a result of the activities engaged in by the department or program. Program revenues increased 19.4% during the year, mostly from grants and other special revenues. General revenues are those revenues not generated through the activities of the County; property taxes produce the largest amount of general revenues. General revenues increased 12.6% during the year, primarily from property tax increases. Overall revenues increased 14.2% during the year.

Table 2
Shelby County Change in Net assets
Fiscal Years Ending June 30, 2006 and 2005

	FY 2006	FY 2005	Change
Governmental activities:			
<u>Revenues:</u>			
Program revenues:			
Charges for services	\$ 96,032,811	\$ 87,079,570	\$ 8,953,241
Operating grants and contributions	138,189,459	119,186,843	19,002,616
Capital grants and contributions	12,460,564	277,257	12,183,307
Total program revenues	246,682,834	206,543,670	40,139,164
General revenues:			
Property taxes	654,551,938	587,164,493	67,387,445
Other taxes	95,321,849	85,517,893	9,803,956
Other	14,068,619	5,660,042	8,408,577
Total general revenues	763,942,406	678,342,428	85,599,978
Total revenues-governmental activities	1,010,625,240	884,886,098	125,739,142
<u>Expenses:</u>			
General government	32,850,485	46,228,263	(8,323,630)
Hospital	25,566,667	25,566,667	---
Planning & Development	6,558,085	6,084,407	473,678
Public Works	49,927,770	34,934,896	14,992,874
Corrections	505,384	371,598	133,786
Health Services	53,781,890	50,576,288	3,205,602
Community Services	43,060,057	41,010,999	2,049,058
Law Enforcement	130,666,941	128,391,275	2,275,666
Judicial	71,267,471	52,348,970	18,918,501
Other Elected Officials	24,573,915	31,109,337	(6,535,422)
Education	446,365,688	404,270,674	42,095,014
Interest on debt	83,880,247	75,944,617	2,881,482
Total expenses-governmental activities	969,004,600	896,837,991	72,166,609
Increase (decrease) in net assets before transfers	41,620,640	(11,951,893)	53,572,533
<u>Transfers</u>	(5,276,913)	(7,146,688)	1,869,775
Increase (decrease) in net assets	36,343,727	(19,098,581)	55,442,308
Net assets - beginning of year	(1,059,314,278)	(1,040,215,697)	(19,098,581)
Net assets - end of year	\$ (1,022,970,551)	\$ (1,059,314,278)	\$ 36,343,727

Total expenses for the year in governmental activities increased \$72.2 million (8.0%). The major cause of the expense increase was increased amounts paid to the two school systems because of tax increases and capital outlay amounts. Depreciation expense also increased due to the retroactive capitalization of infrastructure assets. The increase in judicial includes the reclassification of \$14.7 million from general government (\$8.0 million) and other elected officials (\$6.7 million).

Business-type activities:	FY 2006	FY 2005	Change
<u>Revenues:</u>			
Operating revenues:			
Charges for services	\$ 62,525,770	\$ 56,282,351	\$ 6,243,419
Operating grants and contributions	43,050	56,960	(13,910)
Total operating revenues	62,568,820	56,339,311	6,229,509
Non-operating revenues	374,704	283,040	91,664
Total revenues	62,943,524	56,622,351	6,321,173
<u>Expenses:</u>			
Operating expenses	66,486,101	66,540,589	(54,488)
Non-operating expenses and losses	726,024		726,024
Total expenses	67,212,125	66,540,589	671,536
Increase (decrease) in net assets before transfers	(4,268,601)	(9,918,238)	5,649,637
<u>Transfers</u>	5,276,913	7,146,688	(1,869,775)
Increase (decrease) in net assets	1,008,312	(2,771,550)	3,779,862
Net assets - beginning of year	31,627,997	34,399,547	(2,771,550)
Net assets - end of year	32,636,309	31,627,997	1,008,312
Total primary government:			
Increase (decrease) in net assets	37,352,039	(21,870,131)	59,222,170
Net assets - beginning of year	(1,027,686,281)	(1,005,816,150)	(21,870,131)
Net assets - end of year	\$ (990,334,242)	\$ 1,027,686,281	\$ 37,352,039

In business-type activities, total revenues increased by \$6.3 million. Most of this increase was in the Corrections Center (\$5.2 million). Fire services had an increase of \$1.2 million and Consolidated Codes had a small (\$.1 million) decrease. As a result of increased Corrections Center revenue, net transfers in decreased by \$1.9 million. Expenses increased by \$.7 million.

CHANGE IN FINANCIAL POSITION DURING YEAR

The overall change in the financial position of Shelby County during fiscal year 2006 was an increase in net assets of approximately \$37.4 million.

The County's governmental activities operated with an increase in net assets of approximately \$36.3 million. Net assets restricted for debt service increased by \$26.7 million and net assets of special revenue funds increased by \$6.8 million. Unrestricted net assets increased by \$17.6 million, offset by a \$14.8 million decrease in invested in capital assets net of related debt; this net increase of \$2.8 million resulted from revenue in excess of budget (mostly property taxes) and expenses below budgeted amounts, offset by debt issued for component units and others where the County retains liability for the debt but does not hold the related capital assets. This situation is discussed more at length above.

The business-type activities had a net increase of \$1.0 million. This resulted from increases in fire services and the corrections center, offset by a planned reduction in net assets of Consolidated Codes Enforcement.

Financial Analysis of the Government's Funds

As noted earlier, Shelby County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of Shelby County's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable resources*. Such information is useful in assessing Shelby County's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, Shelby County's governmental funds reported a combined ending fund balance of \$153,821,000. The components of the balances are:

	June 30, 2006	June 30, 2005
General Fund-reserved/designated	\$ 4,150,637	\$ 4,158,337
General Fund-unreserved	41,147,243	37,539,543
Debt Service Fund	55,924,980	29,241,588
Special revenue funds	24,179,221	17,374,768
Total, except Capital Projects Fund	125,402,081	88,314,236
Capital Projects Fund	28,418,919	(136,651,444)
Total all governmental funds	<u>\$ 153,821,000</u>	<u>\$ (48,337,208)</u>

There was a \$37.1 million increase in fund balance excluding capital projects. Of this increase \$3.6 million was in the unreserved balance in general funds, \$26.7 million was in the debt service fund and \$6.8 million increase was in the special revenue funds. There was also an increase of \$165.1 million in the capital projects fund. Each of these changes is discussed below.

The general fund operated with net revenue of \$3.6 million, resulting primarily from expenditures and transfers out being under budget. The general fund unreserved amount is available for spending at the government's discretion. The remainder of fund balance has been committed to liquidate contracts and purchase orders of the prior period and for advances to the Fire Services Fund.

The general fund is the chief operating fund of Shelby County. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 13.3 percent of total general fund expenditures, while total fund balance represents 14.7 percent of that same amount. General fund revenues were \$21.3 million (6.9%) above the prior year, which resulted primarily from increased local taxes and elected officials' fines and fees. Expenditures were \$7.9 million more (2.6%) than the prior year and net transfers out were \$16.0 million more. The increased transfers out were primarily due to transfers of \$1.5 million to create an economic development fund and \$13.9 million to create a pay-as-you-go capital projects fund. Before the beginning of FY 2006 management committed to maintaining an unreserved fund balance of the general fund of at least 12.5% of general fund expenditures.

The debt service fund has a total fund balance of \$55,924,980 to be used for the payment of debt service. The net increase in fund balance during the current year was \$26,683,392. This increase resulted from the planned increase of \$8.6 million, revenue and net transfers in exceeding budget by \$13.6 million and expenditures being \$4.5 million less than budget. The increase in this fund balance is planned to somewhat smooth out the revenue requirements in future years as debt service requirements reach a peak projected amount in 2012.

The fund balance of the capital projects fund improved from a deficit of \$136,651,444 to a positive balance of \$28,418,919. This was primarily the result of issuing long-term debt for capital improvement projects of \$251.0 million (face amount plus premium) and paying off \$131.0 million of short-term notes payable. At the conclusion of each short-term borrowing program (generally two years), the short-term debt is refinanced with long-term general obligation debt. Short-term debt is recorded as a liability of the capital projects fund and, to the extent such borrowings have been spent, a fund deficit is created. The deficit is cleared when long-term debt is issued. Short-term debt outstanding at June 30, 2006 was \$10.0 million compared to \$141.0 million at June 30, 2005.

All special revenue balances are available only for the specific purposes designated by the provider of the funds or the legislation establishing the fees and charges that generate the revenue. Total fund balances of these funds increased to \$24.2 million at June 30, 2006 compared to \$17.4 million at June 30, 2005.

Proprietary funds. Shelby County's proprietary funds report financial information on the same basis as the government-wide financial statements (full accrual accounting based on the economic substance of transactions), but in more detail. Proprietary funds consist of two types of funds: business-type activities - enterprise funds and governmental activities - internal service funds.

The County has three business-type activities; these are essentially self-supporting activities. Two of the activities have consistently been able to support themselves; these are the Consolidated Codes Enforcement Fund and the Fire Services Fund. However, starting in last fiscal year a management decision was made to spend down the net asset balance in the Consolidated Codes Enforcement Fund. During this fiscal year the net asset balance decreased by \$2.6 million to a balance of \$7.4 million. The fire services fund operates entirely on user fees; the net asset balance increased during this fiscal year by \$2.1 million and the balance improved from a deficit of \$.3 million to a positive balance of \$1.8 million. The Corrections Center receives reimbursement from the State of Tennessee for housing State prisoners, which increase from about 75% of the prison population in FY 2005 to about 80% in FY 2006. The general fund provides the remaining cost, excluding depreciation. Unrestricted net assets of the enterprise funds at the end of the year amounted to \$5,422,857, an increase of 57.3%.

Total net assets of the enterprise funds increased \$1,008,312, or about 3.2%, during the year. This increase resulted from increases in fire services and corrections center revenue, offset by the planned use of fund balance in the Consolidated Codes Enforcement Fund.

The County has five internal service funds. These funds are reported using full accrual accounting. *For the government-wide financial statements, these funds are combined with governmental activities.* At June 30, 2006 these funds combined had net assets of \$20,597,343, an improvement of \$12,736,280 over the balance of \$7,861,063 from the prior year. The employer insurance fund had a deficit at June 30, 2005 of \$3,114,027; this was reduced to a deficit of \$959,015 at June 30, 2006. This deficit is the result of claims that will be paid over a period of years being recorded when the claim occurs. The County's policy is to provide funding for long term claims on a claims paid basis. All the other funds have positive net assets.

Fiduciary funds. Shelby County reports two fiduciary funds. The largest is the Shelby County Retirement System. The funds in this trust are available only for retirement benefits of current and retired County employees. The accumulated funds in the retirement system are equal to the currently calculated actuarial liability, meaning the system is properly funded. The County provides funding as required each year for the increased liability for benefits being earned by current employees.

The County also maintains agency funds for a number of the County's elected "constitutional officers" (those officials designated by the State's constitution). These funds do not belong to the County, but are funds held for others. There are no "fund balances" for agency funds.

Governmental Fund Budgetary Highlights

Differences between the original budget and the final amended budget for the general fund can be briefly summarized as follows:

- The revenue budget was increased during the year by \$15.8 million, or 5.0% from the original budget. Property taxes exceeded estimates about \$7.4 million, elected officials fines and fees increased by \$3.7 million and investment income increased by \$3.8 million.
- Budgeted net transfers out were increased by \$17.9 million, mostly to permit the transfers to the economic development fund and the pay-as-you-go capital projects fund as discussed above.
- Overall the expenditure budget decreased during the year by \$2.2 million, or about seven-tenths of one percent. There were changes among several programs as budgets were adjusted to permit the increase in transfers out as noted above; this included adjustments for anticipated expenditures below budgeted amounts and to shift anticipated salary lapse and restriction budgets to the programs where they were realized.
- Actual expenditures were \$3.4 million below the amended budget, or 1.1%.
- Actual expenditures for judicial were \$1.6 million below the amended budget, or 3.0%.

Capital Asset and Debt Administration

Capital Assets. Shelby County Government's investment in capital assets for its governmental and business type activities as of June 30, 2006 amounts to \$600,868,950 (net of accumulated

depreciation). This investment in capital assets includes land, buildings and system improvements, machinery and equipment, park facilities and roads. Retroactive reporting of infrastructure, primarily roads, acquired prior to July 1, 2001 was completed in the County's fiscal year ending June 30, 2006, as required by GASB Statement No. 34 and as explained more fully in Note IV (Q).

Additional information on Shelby County Government's capital assets can be found in note IV (E) of the Notes to Financial Statements of this report.

Major capital asset events during the current fiscal year included the following:

- Roadway improvements, drainage improvements, and sanitary sewer upgrades continued within the County with an estimated cost of \$6.1 million.
- Renovation work continued at the Criminal Justice Complex, with projects including centralization of the floor pod control, jail door retrofit, and jail control center.

Construction in progress as of the end of the current fiscal year was \$26,532,542.

Long-term Debt. At June 30, 2006 Shelby County's general obligation bonded debt (bonds payable) outstanding totaled \$1,753,166,331 which represented approximately 10.18% of assessed value. The County's bonds and notes payable increased by approximately \$53 million (3.1%) during the year. Debt, generally, may be issued without regard to any limit on indebtedness. The ad valorem tax levy is also without legal limit.

The County uses notes payable programs to initially finance capital projects. This allows the County to borrow only as the proceeds are actually needed and to take advantage of lower short-term interest rates. Annually, the County adopts a five-year capital projects plan. Based on this plan for the current year and capital projects cash flow projections, a notes payable program is established with a maximum borrowing amount. Borrowing occurs as needed for up to two years. After completion of each program, the notes payable are converted to bonds payable to be repaid within 25 years. On March 28, 2005 the County authorized the issuance of \$275 million of extendible municipal commercial paper ("EMCP"). In February 2006 the County refunded and ultimately retired \$135 million of \$145 million of issued EMCP, leaving \$10 million outstanding at June 30, 2006.

An agreement was signed in 2005 with the Shelby County and City of Memphis Schools boards of education to provide \$100 million to be divided equally between the two school systems to provide a new high school for the County schools and to provide funding for renovations for the City of Memphis schools. In addition, this agreement provides for capital funding to the schools of \$60 million per year for fiscal years 2007, 2008 and 2009, to be divided based on average daily attendance.

The County maintains ratings from Moody's Investors Service ("Moody's"), Standard & Poor's Corporation ("Standard & Poor's") and Fitch IBCA, Inc. ("Fitch") on its previously issued general obligation bonds not secured by letter of credit as follows:

Moody's
Aa2

Standard & Poor's
AA+

Fitch IBCA, Inc.
AA

Moody's issues ratings from Aaa to C to designate the relative investment qualities of bonds. The Aa rating is in the second highest of the rating categories. The modifier 2 indicates that the Bonds are in the middle range of the Aa category. Moody's describes its Aa ratings as "Bonds which are rated Aa are judged to be a high quality by all standards. They are rated lower than the best bond because margins of protection may not be as large as in Aaa or fluctuation of protection elements may be of greater amplitude or there may be other elements present which make the long term risk appear somewhat larger than Aaa securities."

Standard & Poor's and Fitch issue ratings from AAA to D to designate the relative investment qualities of bonds. The AA rating is the second highest of the ten such ratings. Standard & Poor's and Fitch describe their rating as "Debt rate AA+ has a very strong capacity to pay interest and repay principal and differs from the highest rated issues only in small degree. Plus or minus signs are used to show relative standing within the major rating categories."

Additional information on Shelby County Government's long-term debt can be found in note IV(H) of the Notes to Financial Statements of this report.

Economic Factors and Next Year's Budgets and Rates

- The July 2006 unemployment rate for Shelby County was 6.9 percent, compared to the state's rate of 6.0 percent.
- Inflationary trends in the region compare favorably to national indices.

For 2007 the property tax rate was maintained at the same amount as 2006. As a result of growth, current property taxes are budgeted to increase 3.0% or \$18.4 million in 2007 over the 2006 budget. Education was provided an increase of \$9.1 million (3.0%) and debt service was provided an increase of \$3.8 million (3.1%) to meet debt service growth as discussed below. The general fund was allocated an increase of \$5.5 million or 3.0%.

For fiscal 2007 general fund revenue growth is budgeted to be 4.4% over the 2006 budget. Actual revenue for 2006 exceeded the amount budgeted so that no growth in actual revenue will be necessary to reach the budget. General fund expenditures were also budgeted to increase by 4.4% compared to 2006. The County Mayor and Commission are committed to holding general fund expenditures in line with general fund revenue growth. With a substantial portion of the County incorporated and annexations decreasing the unincorporated area, County government is shifting responsibilities to the cities and focusing on our primary mission of education, criminal justice and health. A consulting firm was engaged in 2004 to perform an efficiency study and assist us in preparing a five year strategic plan which was completed in October 2004. Substantial efficiencies have been identified and implemented. In 2007, we are updating the efficiency study and five year strategic plan.

Because of the school capital needs and converting notes payable to long term-debt to take advantage of low interest rates, debt service expenditures are increasing \$6 million in 2007. Property reappraisal as of January 1, 2005 allowed us to transfer 10 cents of the property tax rate in 2006 to the debt service fund to provide for debt service projected increases through fiscal 2009.

Debt service requirements will continue to increase for the next several years because of the school funding commitment previously noted and the current debt structure. However, various steps are being taken to move towards ending the growth of debt and the debt service requirements. Capital outlays have been reduced from \$154 million in 2002 to \$106 million in 2006. The five-year capital improvement plan was updated with reductions in new debt requirements except for the additional \$100 million commitment for schools noted above to be split equally between 2006 and 2007. Starting in 2008, the capital improvement plan provides for expenditures of less than \$75 million per year.

Requests for Information

This financial report is designed to provide a general overview of Shelby County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Administrator, Department of Finance, Shelby County Government, 160 North Main Street, Memphis, Tennessee 38103.

Statement of Net Assets
June 30, 2006

	Governmental Activities	Business-type Activities	Total	Component Units
Assets:				
Cash and cash equivalents	\$ 158,652,144	\$ 8,685,411	\$ 167,337,555	\$ 36,939,501
Investments	36,982,840	---	36,982,840	109,512,540
Property taxes receivable, net of allowance for uncollectibles	734,035,950	---	734,035,950	---
Other receivables	14,595,491	1,341,935	15,937,426	34,009,200
Due from other governmental entities	22,254,690	7,175,158	29,429,848	17,197,232
Due from component units	6,446,483	---	6,446,483	---
Due from primary government	---	---	---	2,222,145
Internal balances	6,100,261	(6,100,261)	---	---
Inventories	259,812	---	259,812	2,882,714
Deposits held by others	511,525	251,959	763,484	---
Notes receivable	12,422,714	---	12,422,714	---
Other assets	---	---	---	4,704,565
Restricted and other investments	---	---	---	24,751,726
Land	20,216,371	---	20,216,371	---
Construction in progress	26,532,542	---	26,532,542	---
Depreciable capital assets, net	526,184,868	27,935,169	554,120,037	390,960,862
Total Assets	\$ 1,565,195,691	\$ 39,289,371	\$ 1,604,485,062	\$ 623,180,485
Liabilities:				
Accounts payable and accrued liabilities	\$ 21,933,651	\$ 1,187,833	\$ 23,121,484	\$ 54,367,036
Interest payable	16,881,168	---	16,881,168	---
Due to other governmental entities	8,464,535	---	8,464,535	---
Due to component units	2,222,145	---	2,222,145	---
Due to primary government	---	---	---	6,446,483
Deposits held for others	5,112,263	324,721	5,436,984	---
Unearned revenue	715,272,429	88,015	715,360,444	291,289
Notes payable	10,000,000	---	10,000,000	---
Claims payable	8,392,068	---	8,392,068	1,457,470
Long-term liabilities				
Due within one year	97,181,425	2,694,829	99,876,254	187,872
Due in more than one year	1,702,706,558	2,357,664	1,705,064,222	7,791,634
Total Liabilities	2,588,166,242	6,653,062	2,594,819,304	70,541,784
Net Assets:				
Invested in capital assets, net of related debt	156,764,887	27,213,452	183,978,339	384,481,755
Restricted for:				
Education	---	---	---	12,467,493
Debt service	55,924,980	---	55,924,980	---
Roads and bridges	10,965,331	---	10,965,331	---
Special revenues	13,213,890	---	13,213,890	4,508,656
Unrestricted	(1,259,839,639)	5,422,857	(1,254,416,782)	151,180,797
Total Net Assets	(1,022,970,551)	32,636,309	(990,334,242)	552,638,701
Total Liabilities and Net Assets	\$ 1,565,195,691	\$ 39,289,371	\$ 1,604,485,062	\$ 623,180,485

The notes to the financial statements are an integral part of this statement.

**Statement of Activities
For the Year Ended June 30, 2006**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government				
Governmental activities:				
General government	\$ 32,850,485	\$ 10,609,617	\$ 17,369,236	\$ ---
Hospital	25,566,667	---	---	---
Planning and development	6,558,085	741,393	5,170,472	---
Public works	49,927,770	4,718,749	21,433,205	12,460,564
Corrections	505,384	---	429,062	---
Health services	53,781,890	13,828,345	27,979,808	---
Community services	43,060,057	723,928	38,853,747	---
Law enforcement	130,666,941	4,663,400	2,392,646	---
Judicial	71,267,471	22,736,318	22,875,942	---
Other elected officials	24,573,915	38,011,061	327,692	---
Education	446,365,688	---	---	---
Interest on debt	83,880,247	---	1,357,649	---
Total governmental activities	<u>969,004,600</u>	<u>96,032,811</u>	<u>138,189,459</u>	<u>12,460,564</u>
Business-type activities:				
Codes enforcement	11,694,624	9,877,918	---	---
Fire services	11,564,013	14,023,656	43,050	---
Corrections	43,953,488	38,624,196	---	---
Total business-type activities	<u>67,212,125</u>	<u>62,525,770</u>	<u>43,050</u>	<u>---</u>
Total primary government	<u>\$ 1,036,216,725</u>	<u>\$ 158,558,581</u>	<u>\$ 138,232,509</u>	<u>\$ 12,460,564</u>
Component units:				
Board of Education	\$ 316,665,354	\$ 9,505,142	\$ 175,082,396	\$ ---
Shelby County Health Care Corporation	307,172,862	268,597,741	---	---
Nonmajor component units	6,359,341	9,093,400	---	---
Total component units	<u>\$ 630,197,557</u>	<u>\$ 287,196,283</u>	<u>\$ 175,082,396</u>	<u>\$ ---</u>

General Revenues:

- Property taxes - levied for education
- Property taxes - levied for debt service
- Property taxes - levied for general government
- Sales taxes
- Business taxes
- Hotel/Motel taxes
- Wheel taxes
- Other taxes

Grants and contributions not restricted to specific programs:

- Payments from Shelby County
- Other sources
- Unrestricted investment earnings

Transfers, net

- Total general revenues and transfers

- Changes in net assets

Net assets - June 30, 2005, restated

Net assets - June 30, 2006

The notes to the financial statements are an integral part of this statement.

Net (Expenses) Revenues and Changes in Net Assets			
Primary Government			Component Units
Governmental Activities	Business-type Activities	Total	
\$ (4,871,632)	\$ ---	\$ (4,871,632)	\$ ---
(25,566,667)	---	(25,566,667)	---
(646,220)	---	(646,220)	---
(11,315,252)	---	(11,315,252)	---
(76,322)	---	(76,322)	---
(11,973,737)	---	(11,973,737)	---
(3,482,382)	---	(3,482,382)	---
(123,610,895)	---	(123,610,895)	---
(25,655,211)	---	(25,655,211)	---
13,764,838	---	13,764,838	---
(446,365,688)	---	(446,365,688)	---
(82,522,598)	---	(82,522,598)	---
(722,321,766)	---	(722,321,766)	---
---	(1,816,706)	(1,816,706)	---
---	2,502,693	2,502,693	---
---	(5,329,292)	(5,329,292)	---
---	(4,643,305)	(4,643,305)	---
(722,321,766)	(4,643,305)	(726,965,071)	---
---	---	---	(132,077,816)
---	---	---	(38,575,121)
---	---	---	2,734,059
---	---	---	(167,918,878)
327,174,189	---	327,174,189	---
130,030,094	---	130,030,094	---
197,347,655	---	197,347,655	---
10,343,331	---	10,343,331	42,134,312
8,970,348	---	8,970,348	---
12,377,312	---	12,377,312	---
29,962,996	---	29,962,996	---
33,667,862	---	33,667,862	---
---	---	---	159,022,945
---	---	---	4,363,255
14,068,619	374,704	14,443,323	6,716,309
(5,276,913)	5,276,913	---	---
758,665,493	5,651,617	764,317,110	212,236,821
36,343,727	1,008,312	37,352,039	44,317,943
(1,059,314,278)	31,627,997	(1,027,686,281)	508,320,758
\$ (1,022,970,551)	\$ 32,636,309	\$ (990,334,242)	\$ 552,638,701

Governmental Funds
Balance Sheet
June 30, 2006

	General Fund	Debt Service Fund	Capital Projects Fund
Assets:			
Cash and cash equivalents	\$ 5,193,908	\$ 47,432,017	\$ 45,010,623
Investments	30,058,777	6,924,063	---
Property taxes receivable, net of allowance for uncollectibles	221,383,903	147,647,300	---
Accounts receivable and accrued revenues	3,559,916	926,268	13,000
Due from other governmental entities	1,614,798	---	379,224
Due from other funds	15,946,678	1,378,909	---
Advance to other funds	2,368,581	---	---
Due from component units	---	3,439,834	3,006,649
Notes receivable	360,002	8,045,224	3,414,889
	<u>280,486,563</u>	<u>215,793,615</u>	<u>51,824,385</u>
Total Assets	\$ 280,486,563	\$ 215,793,615	\$ 51,824,385
Liabilities:			
Accounts payable and accrued liabilities	\$ 8,702,516	\$ 1,692,349	\$ 2,567,921
Due to other governmental entities	132,314	---	---
Due to other funds	4,565,302	---	---
Due to component units	---	---	---
Deposits held for others	428,319	---	4,364,008
Deferred revenue	220,962,979	158,176,286	6,473,537
Notes payable	---	---	10,000,000
Claims payable	397,253	---	---
	<u>235,188,683</u>	<u>159,868,635</u>	<u>23,405,466</u>
Total Liabilities	235,188,683	159,868,635	23,405,466
Fund Balances:			
Reserved for encumbrances	1,782,056	---	---
Reserved for advances	2,368,581	---	---
Unreserved:			
Major governmental funds	41,147,243	55,924,980	28,418,919
Nonmajor governmental funds	---	---	---
	<u>45,297,880</u>	<u>55,924,980</u>	<u>28,418,919</u>
Total Fund Balances	45,297,880	55,924,980	28,418,919
Total Liabilities and Fund Balances	\$ 280,486,563	\$ 215,793,615	\$ 51,824,385

The notes to the financial statements are an integral part of this statement.

Education Fund	Grants Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ 2,289,021	\$ ---	\$ 20,424,300	\$ 120,349,869
---	---	---	36,982,840
365,004,747	---	---	734,035,950
1,751,860	7,658,459	607,257	14,516,760
---	19,293,735	926,606	22,214,363
1,378,909	---	1,807,484	20,511,980
---	---	---	2,368,581
---	---	---	6,446,483
---	602,599	---	12,422,714
<u>\$ 370,424,537</u>	<u>\$ 27,554,793</u>	<u>\$ 23,765,647</u>	<u>\$ 969,849,540</u>
\$ ---	\$ 5,221,001	\$ 2,526,305	\$ 20,710,092
5,588,460	2,743,761	---	8,464,535
---	12,214,513	485	16,780,300
2,222,145	---	---	2,222,145
---	10,263	309,673	5,112,263
362,613,932	4,115,218	---	752,341,952
---	---	---	10,000,000
---	---	---	397,253
<u>370,424,537</u>	<u>24,304,756</u>	<u>2,836,463</u>	<u>816,028,540</u>
---	---	662,791	2,444,847
---	---	---	2,368,581
---	3,250,037	---	128,741,179
---	---	20,266,393	20,266,393
<u>---</u>	<u>3,250,037</u>	<u>20,929,184</u>	<u>153,821,000</u>
<u>\$ 370,424,537</u>	<u>\$ 27,554,793</u>	<u>\$ 23,765,647</u>	<u>\$ 969,849,540</u>

**Reconciliation of Fund Balances of Governmental
Funds to the Statement of Net Assets
June 30, 2006**

Fund balance - total governmental funds (page 33)	\$ 153,821,000
Amounts reported for the governmental activities in the statement of net assets (page 29) are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in funds	572,580,612
Receivables not available to pay for current expenditures are reported as deferred revenue in the funds	60,429,333
Amounts payable to schools from receivables not available to pay current expenditures	(19,913,932)
Interest on long-term debt is not payable with current financial resources and, therefore, is not reported in the funds	(16,881,168)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds	(1,793,603,739)
Internal service funds are used by management to charge the costs of central services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets	<u>20,597,343</u>
Net assets of governmental activities (page 29)	<u><u>\$ (1,022,970,551)</u></u>

The notes to the financial statements are an integral part of this statement.

Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2006

	General Fund	Debt Service Fund	Capital Projects Fund
Revenues:			
Local taxes	\$ 221,362,501	\$ 151,563,291	\$ ---
Local revenue	27,747,801	2,414,317	2,724,325
State revenue	15,056,355	1,357,649	5,206,564
Federal revenue	29,756	---	---
Patient service revenue	855,702	---	---
Elected officials' fines & fees	59,960,792	1,100,850	---
Other revenue	7,895,381	1,400,879	3,261,919
	<hr/>	<hr/>	<hr/>
Total revenues	332,908,288	157,836,986	11,192,808
	<hr/>	<hr/>	<hr/>
Expenditures:			
Current			
General government	28,988,983	---	---
Hospital	20,566,667	---	---
Planning and development	497,339	---	---
Public works	19,654,381	---	---
Corrections	---	---	---
Health services	29,424,087	---	---
Community services	3,671,561	---	---
Law enforcement	128,625,920	---	---
Judicial	51,369,654	---	---
Other elected officials	24,018,686	---	---
Education	---	---	---
Debt service and related cost	2,039,578	139,784,207	5,687,708
Capital outlay: capital projects	---	---	105,741,913
	<hr/>	<hr/>	<hr/>
Total expenditures	308,856,856	139,784,207	111,429,621
	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues over expenditures	24,051,432	18,052,779	(100,236,813)
	<hr/>	<hr/>	<hr/>
Other Financing Sources (Uses):			
Transfers in	12,015,981	11,043,066	16,148,236
Transfers out	(32,467,413)	(2,412,453)	(1,868,842)
General obligation bonds issued at face value	---	---	245,695,000
Bond issue premium (discount), net	---	---	5,332,782
	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	(20,451,432)	8,630,613	265,307,176
	<hr/>	<hr/>	<hr/>
Net change in fund balances	3,600,000	26,683,392	165,070,363
	<hr/>	<hr/>	<hr/>
Fund balances June 30, 2005	41,697,880	29,241,588	(136,651,444)
	<hr/>	<hr/>	<hr/>
Fund balances June 30, 2006	\$ 45,297,880	\$ 55,924,980	\$ 28,418,919
	<hr/>	<hr/>	<hr/>

The notes to the financial statements are an integral part of this statement.

Education Fund	Grants Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ 360,019,604	\$ ---	\$ 14,527,920	\$ 747,473,316
---	6,072,062	4,171,736	43,130,241
---	63,446,872	18,398,121	103,465,561
---	28,858,512	---	28,888,268
---	1,409,930	---	2,265,632
---	---	2,112,973	63,174,615
---	533,985	688,302	13,780,466
360,019,604	100,321,361	39,899,052	1,002,178,099
---	1,068,252	11,972,329	42,029,564
---	---	---	20,566,667
---	6,065,612	---	6,562,951
---	11,288,900	9,772,583	40,715,864
---	432,172	---	432,172
---	21,457,334	2,710,082	53,591,503
---	39,395,560	---	43,067,121
---	733,777	874,580	130,234,277
---	18,264,131	---	69,633,785
---	---	1,127,323	25,146,009
360,019,604	---	---	360,019,604
---	---	---	147,511,493
---	---	---	105,741,913
360,019,604	98,705,738	26,456,897	1,045,252,923
---	1,615,623	13,442,155	(43,074,824)
---	4,213,438	367,936	43,788,657
---	(4,238,192)	(8,596,507)	(49,583,407)
---	---	---	245,695,000
---	---	---	5,332,782
---	(24,754)	(8,228,571)	245,233,032
---	1,590,869	5,213,584	202,158,208
---	1,659,168	15,715,600	(48,337,208)
\$ ---	\$ 3,250,037	\$ 20,929,184	\$ 153,821,000

**Reconciliation of Changes in Fund Balances of Governmental
Funds to the Statement of Activities
For the Year Ended June 30, 2006**

Net change in fund balances - total governmental funds (page 37)	\$ 202,158,208
Amounts reported for the governmental activities in the statement of activities (page 31) are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation and net gains and losses on retirements in the current period.	6,106,694
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(919,655)
The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance cost, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	(187,396,536)
Changes in other long-term liabilities other than in internal service funds	3,658,736
Internal service funds are used by management to charge the costs of central services to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities.	12,736,280
Change in net assets of governmental activities (page 31)	<u>\$ 36,343,727</u>

The notes to the financial statements are an integral part of this statement.

Proprietary Funds
Statement of Net Assets
June 30, 2006

	Business-type Activities - Enterprise Funds				Governmental Activities- Internal Service Funds
	Consolidated Codes Enforcement Fund	Fire Services Fund	Corrections Center Fund	Total	
Assets:					
Current Assets:					
Cash and cash equivalents	\$ 6,179,535	\$ 2,505,876	\$ ---	\$ 8,685,411	\$ 38,302,275
Accounts receivable and accrued revenues	69,840	1,242,307	29,788	1,341,935	78,731
Due from other governmental entities	---	---	7,175,158	7,175,158	40,327
Deposits held by others	---	---	251,959	251,959	511,525
Inventories	---	---	---	---	259,812
Total Current Assets	6,249,375	3,748,183	7,456,905	17,454,463	39,192,670
Noncurrent Assets:					
Depreciable capital assets, net	1,962,005	2,422,270	23,550,894	27,935,169	353,169
Total Noncurrent Assets	1,962,005	2,422,270	23,550,894	27,935,169	353,169
Total Assets	\$ 8,211,380	\$ 6,170,453	\$ 31,007,799	\$ 45,389,632	\$ 39,545,839
Liabilities and Net Assets:					
Current Liabilities:					
Accounts payable and accrued liabilities	\$ 31,076	\$ 127,068	\$ 1,029,689	\$ 1,187,833	\$ 1,223,559
Interfund loan payable, current portion	---	468,778	---	468,778	---
Due to other funds	---	---	3,731,680	3,731,680	---
Deposits held for others	72,762	---	251,959	324,721	---
Deferred revenue	88,015	---	---	88,015	3,445,878
Sick and annual leave payable	348,898	824,861	1,410,081	2,583,840	43,430
Capital lease obligations	---	110,989	---	110,989	---
Claims payable	---	---	---	---	7,994,815
Total Current Liabilities	540,751	1,531,696	6,423,409	8,495,856	12,707,682
Noncurrent Liabilities:					
Claims payable	---	---	---	---	6,200,828
Sick and annual leave payable	283,467	345,014	1,118,455	1,746,936	39,986
Capital lease obligations	---	610,728	---	610,728	---
Interfund loans payable	---	1,899,803	---	1,899,803	---
Total Noncurrent Liabilities	283,467	2,855,545	1,118,455	4,257,467	6,240,814
Total Liabilities	824,218	4,387,241	7,541,864	12,753,323	18,948,496
Net Assets:					
Invested in capital assets, net of related debt	1,962,005	1,700,553	23,550,894	27,213,452	353,169
Unrestricted	5,425,157	82,659	(84,959)	5,422,857	20,244,174
Total Net Assets	7,387,162	1,783,212	23,465,935	32,636,309	20,597,343
Total Liabilities and Net Assets	\$ 8,211,380	\$ 6,170,453	\$ 31,007,799	\$ 45,389,632	\$ 39,545,839

The notes to the financial statements are an integral part of this statement.

Proprietary Funds

Statement of Revenues, Expenses and Changes in Fund Net Assets

For the Year Ended June 30, 2006

	Business-type Activities - Enterprise Funds				Governmental Activities- Internal Service Funds
	Consolidated Codes Enforcement Fund	Fire Services Fund	Corrections Center Fund	Total	
Operating revenues:					
State revenue	\$ ---	\$ 43,050	\$ 37,111,267	\$ 37,154,317	\$ ---
Federal revenue	---	---	12,600	12,600	---
Permits and fees	9,877,918	14,023,656	1,500,329	25,401,903	---
Premium revenue	---	---	---	---	67,015,741
Charges for services	---	---	---	---	5,924,054
Total operating revenues	9,877,918	14,066,706	38,624,196	62,568,820	72,939,795
Operating expenses:					
Salaries and wages	7,881,256	8,014,358	24,644,039	40,539,653	743,415
Fringe benefits	2,219,036	2,087,969	6,950,761	11,257,766	218,605
Supplies	264,199	165,734	3,545,915	3,975,848	1,249,186
Services	89,591	47,215	100,008	236,814	4,479,023
Professional and contracted services	349,091	226,522	4,538,444	5,114,057	469,559
Rent, utilities, and maintenance	264,231	187,820	2,492,735	2,944,786	3,174,527
Depreciation	153,184	277,708	1,065,546	1,496,438	72,374
Other expenses	474,036	260,717	185,986	920,739	30
Claims incurred	---	---	---	---	51,603,998
Total operating expenses	11,694,624	11,268,043	43,523,434	66,486,101	62,010,717
Operating income (loss)	(1,816,706)	2,798,663	(4,899,238)	(3,917,281)	10,929,078
Nonoperating revenues (expenses):					
Interest income	311,379	63,325	---	374,704	1,066,712
Interest expense	---	(169,740)	(430,054)	(599,794)	---
Gain (loss) on asset dispositions	---	(126,230)	---	(126,230)	---
Income (loss) before transfers	(1,505,327)	2,566,018	(5,329,292)	(4,268,601)	11,995,790
Transfers:					
Transfers in	235,386	---	9,868,441	10,103,827	1,500,000
Transfers out	(1,364,658)	(664,859)	(3,020,051)	(5,049,568)	(759,510)
Other sources (uses)	---	222,654	---	222,654	---
Net transfers	(1,129,272)	(442,205)	6,848,390	5,276,913	740,490
Change in net assets	(2,634,599)	2,123,813	1,519,098	1,008,312	12,736,280
Net Assets:					
June 30, 2005	10,021,761	(340,601)	21,946,837	31,627,997	7,861,063
June 30, 2006	\$ 7,387,162	\$ 1,783,212	\$ 23,465,935	\$ 32,636,309	\$ 20,597,343

The notes to the financial statements are an integral part of this statement.

Proprietary Funds
Statement of Cash Flows
For the Year Ended June 30, 2006

	Business-type Activities - Enterprise Funds				Governmental Activities- Internal Service Funds
	Consolidated Codes Enforcement Fund	Fire Services Fund	Corrections Center Fund	Total	
Cash flows from operations:					
Receipts from customers	\$ 9,941,046	\$ 13,917,917	\$ 37,410,404	\$ 61,269,367	\$ 6,119,221
Premiums received	---	---	---	---	67,134,295
Cash payments to suppliers	(1,470,560)	(833,177)	(10,424,998)	(12,728,735)	(9,196,747)
Cash payments to employees	(10,042,561)	(10,267,400)	(31,425,899)	(51,735,860)	(949,806)
Claims paid	---	---	---	---	(55,300,550)
Net cash provided by (used in) operating activities	(1,572,075)	2,817,340	(4,440,493)	(3,195,228)	7,806,413
Cash flows from noncapital financing activities:					
Transfers from other funds	235,386	---	7,980,086	8,215,472	1,500,000
Transfers to other funds	(1,364,658)	(664,859)	(3,020,051)	(5,049,568)	(759,510)
Repayment of advance from other funds	---	(468,778)	---	(468,778)	---
Interest on advance from other funds	---	(131,222)	---	(131,222)	---
Net cash provided by (used in) noncapital financing activities	(1,129,272)	(1,264,859)	4,960,035	2,565,904	740,490
Cash flows from capital and related financing activities:					
Acquisition of capital assets	(271,795)	---	(89,488)	(361,283)	(15,395)
Proceeds from sale of capital assets	---	1,190	---	1,190	---
Capital lease obligation payments	---	(72,471)	---	(72,471)	---
Interest paid	---	(38,518)	(430,054)	(468,572)	---
Net cash used in capital and related financing activities	(271,795)	(109,799)	(519,542)	(901,136)	(15,395)
Cash flows from investing activities:					
Interest income	311,379	63,325	---	374,704	1,066,712
Net cash provided by (used in) investing activities	311,379	63,325	---	374,704	1,066,712
Net increase (decrease) in cash and cash equivalents	(2,661,763)	1,506,007	---	(1,155,756)	9,598,220
Cash and cash equivalents, June 30, 2005	8,841,298	999,869	---	9,841,167	28,704,055
Cash and cash equivalents, June 30, 2006	<u>\$ 6,179,535</u>	<u>\$ 2,505,876</u>	<u>\$ ---</u>	<u>\$ 8,685,411</u>	<u>\$ 38,302,275</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating Income (loss)	\$ (1,816,706)	\$ 2,798,663	\$ (4,899,238)	\$ (3,917,281)	\$ 10,929,078
Adjustments:					
Depreciation	153,184	277,708	1,065,546	1,496,438	72,374
Changes in assets and liabilities:					
Accounts receivable and accrued revenues	38,470	(148,789)	(1,213,792)	(1,324,111)	267,610
Inventories	---	---	---	---	(44,289)
Accounts payable and accrued liabilities	(29,412)	54,831	441,090	466,509	(1,774,973)
Sick and annual leave	57,731	(165,073)	165,901	58,559	12,214
Deferred revenue	24,658	---	---	24,658	46,111
Insurance claims payable	---	---	---	---	(1,451,712)
Deposits	---	---	---	---	(250,000)
Total adjustments	244,631	18,677	458,745	722,053	(3,122,665)
Net cash provided by (used in) operating activities	<u>\$ (1,572,075)</u>	<u>\$ 2,817,340</u>	<u>\$ (4,440,493)</u>	<u>\$ (3,195,228)</u>	<u>\$ 7,806,413</u>
Noncash investing, capital, and financing activities:					
Disposition of Fire Station #63 to another governmental entity		\$ 127,420			
Capital assets transferred from governmental activities		\$ 222,654			

The notes to the financial statements are an integral part of this statement.

Fiduciary Funds
Statement of Fiduciary Net Assets
June 30, 2006

	Shelby County Retirement System	Constitutional Officers Agency Fund
Assets:		
Cash and cash equivalents	\$ 58,046,143	\$ 75,007,754
Investments:		
U.S. Government and agency obligations	46,798,559	---
Corporate bonds	119,423,999	---
Corporate stocks	493,448,001	---
Certificates of deposit	---	4,600,000
Other investments	184,325,635	---
Accounts receivable	---	712,695
Accrued interest and dividends receivable	2,676,470	---
Due from brokers - investment sales	2,865,995	---
	<hr/>	<hr/>
Total Assets	\$ 907,584,802	\$ 80,320,449
	<hr/>	<hr/>
Liabilities:		
Accounts payable	\$ 1,234,702	\$ 76,315
Funds held for others	---	61,538,068
Due to brokers and others	7,906,051	---
Due to other governmental entities	---	18,706,066
	<hr/>	<hr/>
Total Liabilities	9,140,753	\$ 80,320,449
	<hr/>	<hr/>
Net assets held in trust for pension benefits	898,444,049	
	<hr/>	
Total plan net assets	898,444,049	
	<hr/>	
Total liabilities and plan net assets	\$ 907,584,802	
	<hr/>	

The notes to the financial statements are an integral part of this statement.

Fiduciary Funds
Statement of Changes in Fiduciary Net Assets
For the Year Ended June 30, 2006

	Shelby County Retirement System
Additions:	
Contributions:	
Employer contributions	\$ 18,805,565
Member contributions	6,510,510
Total contributions	25,316,075
Investment income:	
Net appreciation in fair value of investments	64,711,259
Interest income	13,078,678
Dividend income	7,569,577
Other income	649,597
Total investment income	86,009,111
Less investment management expenses	4,552,047
Net investment income	81,457,064
Net additions	106,773,139
Deductions:	
Benefit payments	39,920,970
Administrative expenses	1,629,601
Refund of member contributions	2,119,810
Total deductions	43,670,381
Change in net assets	63,102,758
Net assets held in trust for pension benefits:	
June 30, 2005	835,341,291
June 30, 2006	\$ 898,444,049

The notes to the financial statements are an integral part of this statement.

Component Units
Combining Statement of Net Assets
June 30, 2006

	Board of Education	Shelby County Health Care Corporation	Nonmajor Component Units	Total
Assets:				
Cash and cash equivalents	\$ 9,666,600	\$ 25,861,285	\$ 1,411,616	\$ 36,939,501
Investments	93,097,307	8,357,021	8,058,212	109,512,540
Accounts receivable	605,757	32,631,746	771,697	34,009,200
Due from primary government	2,222,145	---	---	2,222,145
Due from other governments	17,197,232	---	---	17,197,232
Inventories	2,881,309	---	1,405	2,882,714
Other assets	---	4,324,270	380,295	4,704,565
Restricted and other investments	---	24,751,726	---	24,751,726
Capital assets, net	310,633,617	74,121,815	6,205,430	390,960,862
Total Assets	\$ 436,303,967	\$ 170,047,863	\$ 16,828,655	\$ 623,180,485
Liabilities:				
Accounts payable and accrued expenses	\$ 19,530,586	\$ 34,524,830	\$ 311,620	\$ 54,367,036
Insurance claims payable	1,457,470	---	---	1,457,470
Deferred revenue	155,152	---	136,137	291,289
Due to primary government	---	6,446,483	---	6,446,483
Long-term liabilities				
Due within one year	---	---	187,872	187,872
Due in more than one year	---	7,779,000	12,634	7,791,634
Total Liabilities	21,143,208	48,750,313	648,263	70,541,784
Net Assets:				
Invested in capital assets, net of related debt	310,633,617	67,675,332	6,172,806	384,481,755
Restricted for:				
Student activities	4,576,055	---	---	4,576,055
Insurance claims	7,891,438	---	---	7,891,438
Building construction	---	3,273,822	---	3,273,822
Indigent care	---	1,234,834	---	1,234,834
Unrestricted	92,059,649	49,113,562	10,007,586	151,180,797
Total Net Assets	415,160,759	121,297,550	16,180,392	552,638,701
Total Liabilities and Net Assets	\$ 436,303,967	\$ 170,047,863	\$ 16,828,655	\$ 623,180,485

The notes to the financial statements are an integral part of this statement.

**Component Units
Combining Statement of Activities
For the Year Ended June 30, 2006**

	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Board of Education				
Instruction programs	\$ 194,215,582	\$ ---	\$ 158,436,234	\$ ---
Support services	26,634,366	---	---	---
General administration	31,139,434	---	---	---
Operation and maintenance of facilities	27,903,767	---	---	---
Student transportation	11,039,191	---	---	---
Food services	13,816,592	9,505,142	4,693,463	---
Student activities	11,525,969	---	11,952,699	---
Early childhood education	390,453	---	---	---
Total Board of Education	316,665,354	9,505,142	175,082,396	---
Shelby County Health Care Corporation	307,172,862	268,597,741	---	---
Nonmajor component units	6,359,341	9,093,400	---	---
Total component units	\$ 630,197,557	\$ 287,196,283	\$ 175,082,396	\$ ---

General revenues:
Shelby County
Local sales tax
Other sources
Unrestricted investment earnings
Total general revenues
Changes in net assets
Net assets - June 30, 2005, restated
Net assets - June 30, 2006

The notes to the financial statements are an integral part of this statement.

Net (Expenses) Revenues and Changes in Net Assets			
Board of Education	Shelby County Health Care Corporation	Nonmajor Component Units	Total Component Units
\$ (35,779,348)	\$ ---	\$ ---	\$ (35,779,348)
(26,634,366)	---	---	(26,634,366)
(31,139,434)	---	---	(31,139,434)
(27,903,767)	---	---	(27,903,767)
(11,039,191)	---	---	(11,039,191)
382,013	---	---	382,013
426,730	---	---	426,730
(390,453)	---	---	(390,453)
(132,077,816)	---	---	(132,077,816)
---	(38,575,121)	---	(38,575,121)
---	---	2,734,059	2,734,059
(132,077,816)	(38,575,121)	2,734,059	(167,918,878)
129,656,278	29,366,667	---	159,022,945
42,134,312	---	---	42,134,312
4,363,255	---	---	4,363,255
---	6,475,242	241,067	6,716,309
176,153,845	35,841,909	241,067	212,236,821
44,076,029	(2,733,212)	2,975,126	44,317,943
371,084,730	124,030,762	13,205,266	508,320,758
\$ 415,160,759	\$ 121,297,550	\$ 16,180,392	\$ 552,638,701

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I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**(A) Reporting Entity**

Shelby County, Tennessee (the County) is governed by an elected mayor and a thirteen member Board of Commissioners. As required by generally accepted accounting principles, these financial statements present the County (the primary government) and its component units, entities for which the County is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of a government's operations. The County has no blended component units. Each discretely presented component unit is reported in a separate column in the combining component unit financial statements (see notes below for descriptions) with combined totals in government-wide financial statements to emphasize that they are legally separate from the government. Each discretely presented component unit has a June 30 year-end and their separate financial statements are available as indicated below. The significant accounting policies followed by component units are generally the same as those followed by the primary government.

Discretely Presented Component Units:***Major Component Units***

Shelby County Board of Education (the Board of Education) – The Board of Education includes all the public schools in Shelby County outside the City of Memphis, serving over 44,000 students. The Board of Education has a separately elected governing board but is fiscally dependent on the County. The County levies taxes for the Board's operation, approves its operating budget and issues debt for its capital projects. The operations of the Shelby County Board of Education are reported as a governmental component unit. Financial statements for the Board can be obtained from Shelby County Board of Education, 160 South Hollywood, Memphis, Tennessee 38112, (901) 321-2500.

Shelby County Health Care Corporation, d/b/a Regional Medical Center at Memphis (The Med) – The Med provides both inpatient and outpatient hospital services to residents of Shelby County and the surrounding area. The County Mayor appoints The Med Board of Directors and substantial funding is provided by the County. The Med is reported as a proprietary component unit. Financial statements for The Med can be obtained from Shelby County Health Care Corporation, C/O Regional Medical Center at Memphis, 877 Jefferson Avenue, Memphis, Tennessee 38103, (901) 545-8234.

Other Component Units

Agricenter International, Inc. (the Agricenter) – The purpose of the Agricenter is to promote educational and applied research endeavors intended for the improvement of agriculture by the establishment of one convenient location for exhibition, demonstration, research, education and meetings by agribusiness industry, related organizations, and government agencies. The Agricenter Commission members are appointed by the County Mayor and confirmed by the County Board of Commissioners. Some funding is provided by the County. Agricenter International, Inc. is reported as a proprietary component unit. Financial statements for the Agricenter can be obtained from Agricenter International, Inc., Suite 9, 7777 Walnut Grove Road, Memphis, Tennessee 38120, (901) 757-7777.

Emergency Communications District of Shelby County, Tennessee, d/b/a Shelby County 9-1-1 District (the District) – The District was established in 1984, pursuant to provisions of T.C.A. Title 7, Chapter 86 of the State of Tennessee. The District is responsible for establishing local emergency telephone service and a primary emergency telephone number for the residents of Shelby County. The District is governed by a nine-member board of directors, appointed by the County Mayor and approved by the County Board of Commissioners. The District's board has the authority to levy an emergency telephone service charge to be used to fund the operation of the District. The District must obtain County Commission approval before the

issuance of most debt and the County Commission has the ability to adjust the District's service charges. The District is reported as a proprietary component unit. Financial statements for the District can be obtained from Shelby County 9-1-1 District, 6470 Haley Road, Memphis, Tennessee 38134, (901) 380-3911.

(B) Governmental Accounting Standards

The financial statements of the County have been prepared in accordance with *generally accepted accounting principles* (GAAP) followed in the United States of America. In the United States the Governmental Accounting Standards Board (GASB) is the established and recognized standard-setting body for governmental accounting and financial reporting. The GASB periodically issues new or revised standards that are implemented by the County.

The County implemented the GASB's Statement No. 34 *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments* for the year ending June 30, 2002. The Statement required the retroactive reporting of infrastructure assets (roads, bridges, etc.) to be accomplished by the year ending June 30, 2006. This year's financial report includes the retroactive reporting of infrastructure assets acquired or constructed between July 1, 1981 and June 30, 2001. See Note IV (Q) for details.

Private-sector accounting standards are established by the Financial Accounting Standards Board (FASB). FASB standards issued on or before November 30, 1989, are generally followed for the government-wide financial statements and the fund financial statements for proprietary funds to the extent those standards do not conflict with or contradict GASB pronouncements. In accordance with GASB Statement No. 20, paragraph 7, governments have the option to apply all FASB Statements and Interpretations issued after November 30, 1989, except for those that conflict with or contradict GASB pronouncements. The County has elected not to apply subsequent FASB standards.

(C) Government-wide and Fund Financial Statements

The government-wide financial statements - the statement of net assets and the statement of activities - report information on all of the nonfiduciary activities of the primary government and its component units. For the most part the effect of the interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Similarly, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of the given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual proprietary (enterprise) funds are reported as separate columns in the fund financial statements.

(D) Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements, except that agency funds have no measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government generally considers revenues to be available if they are collected within sixty days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, gross receipt taxes, sales taxes, grants, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The County reports the following major governmental funds:

The *General Fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *Debt Service Fund* accounts for the accumulation of resources for and the payment of principal, interest and related costs on long-term general obligation debt of governmental funds.

The *Capital Projects Fund* accounts for the acquisition and construction of major capital facilities and equipment. The primary funding source is bond proceeds.

The *Education Fund* accounts for tax collections allocated for school operations. Taxes are collected and allocated to the Shelby County Board of Education and the Board of Education of the Memphis City Schools based on average daily attendance.

The *Grants Fund* accounts for the receipt and expenditure of federal, state and local government grants and designated contributions to be used for approved programs.

The County reports the following major proprietary (enterprise) funds:

The *Consolidated Codes Enforcement Fund* accounts for the operations of the Memphis and Shelby County Office of Construction Codes Enforcement and related planning functions. Revenues are generated through permit and inspection fees charged by the office.

The *Fire Services Fund* accounts for operations of the Shelby County Fire Department. The Fire Department services most areas of Shelby County not within any municipality. Revenues are generated through fees charged to residents in the service area.

The *Corrections Center Fund* accounts for the operations of the Shelby County Corrections Center. Approximately 75% of the population at this facility are State prisoners. For State prisoners, the State reimburses the County's actual cost per prisoner day, including depreciation expense and indirect costs.

Additionally, the County reports the following fund types:

Internal Service Funds are a separate category of proprietary funds. These funds account for telecommunications, mail services, printing, group health and life insurance, other employer insurance, and tort liability insurance provided to other departments and agencies of the County, or to other governments on a cost reimbursement basis.

The *Pension Trust Fund* is a fiduciary fund. It accounts for the activities of the County's retirement plan, which accumulates resources for pension payments to employees.

Agency Funds are also fiduciary funds. It accounts for assets held by the County's constitutional officers and other elected officials in an agent capacity for governments, litigants, heirs and others. Agency funds are custodial in nature and do not involve measurement of results of operations.

The effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Similarly, general revenues include all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds and of the government's internal service funds are charges to customers for sales, services, and insurance. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources, as they are needed.

(E) Assets, Liabilities and Equity

Deposits and Investments

Cash and cash equivalents include cash on hand, demand deposits, savings accounts and short-term investments with maturities of three months or less at the time of purchase. The County pools substantially all of its cash and cash equivalents. Each fund participating owns a pro rata share in the pool. Investment earnings of the pool are allocated monthly to each fund based upon average balances.

Deposits with the State Treasurer's Local Government Investment Pool (LGIP) may be withdrawn with a maximum of one day's notice, are classified as cash equivalents and are valued at cost. The LGIP is not registered with the SEC as an investment company. However the LGIP has a policy that it will – and does – operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. Rule 2a7 allows SEC-registered mutual funds to use amortized cost rather than fair value to report net assets to compute share prices if certain conditions are met. State statutes require the State Treasurer to administer the LGIP under the same terms and

conditions, including collateral requirements, as required for other funds invested by the Treasurer. The reported value of the pool is the same as the fair value of the pool shares.

Investments of the government as well as its component units are generally stated at fair value. Fair value is based on quoted market prices, if available, or estimated using quoted market prices for similar securities. The County uses amortized cost on all investments that mature within a year or less of the date of purchase. State statutes authorize the County to make direct investments in obligations of the U.S. Treasury, obligations issued or guaranteed by any U.S. Government agency, LGIP, bonds of any state or political subdivision, repurchase agreements, prime banker's acceptances and prime commercial paper. The maximum maturity is two years.

The Pension Trust Fund is authorized to invest in common and preferred stocks, corporate bonds rated B3 or better, commercial paper rated A2/P2 or better, real estate, venture capital investments, co-mingled investment funds, and call option writing programs. Investment parameters require that no more than 70% of total investments be in stock, no more than 5% in real estate, and no more than 12% in international equities. The Board of Administration has also authorized investments in limited partnerships.

Receivables and Payables

Property taxes are recorded as revenues in the fiscal year for which levied. Property taxes based on property values during the current fiscal year but levied for the next fiscal year are recorded as receivables and deferred revenue. Allowances for doubtful accounts are maintained for receivables which historically experience uncollectible accounts.

Inventories and Prepaid Items

Inventories are valued at cost on a first-in/first-out (FIFO) method.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

Capital Assets

Capital assets, which include land, land improvements, buildings, building improvements, equipment and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Infrastructure includes roads, bridges, sidewalks, and similar items. Equipment includes software and communications systems. Capital assets are defined by the government as assets with an initial, individual cost greater than \$5,000 and an estimated useful life in excess of two years. Land is included regardless of cost. Capital assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Land improvements, buildings, building improvements, equipment and infrastructure of the primary government, as well as the component units, are depreciated using the straight line method. The following estimated useful lives are used:

<u>Assets</u>	<u>Years</u>
Land improvements	10-30
Buildings	30-40
Building Improvements	10-30
Equipment	3-20
Infrastructure	10-50

Deferred Revenue

Deferred revenue includes amounts that were unearned and amounts that were receivable and measurable at year-end but were not available to finance expenditures for the current year. Deferred revenues primarily include unearned or unavailable revenues from property taxes, operating subsidies received in advance and notes receivable. Government-wide financial statements include only unearned revenue but governmental funds may include both unearned and unavailable revenue.

Claims and Judgments

Claims and judgments which can be reasonably estimated and could result in probable material losses to the County have been given proper recognition under U.S. generally accepted accounting principles. For governmental funds and similar fund types, the liability is recognized within the applicable fund if it is expected to be liquidated with expendable, available financial resources. All other material unpaid claims and judgments are recorded as a liability in the governmental activities of the primary government. In proprietary and similar fund types, probable and measurable loss contingencies are recorded as incurred within the applicable fund.

Landfill Postclosure Care Costs

State and federal laws and regulations require the County to perform certain maintenance and monitoring functions for thirty years after closure of its landfill sites. The amount reported as postclosure care liability at year-end represents the estimated postclosure care costs that have not been paid for the Walnut Grove and Shake Rag Road landfills. The estimate is based on what it would cost to perform all postclosure care as of the year-end. Actual future costs may differ due to inflation, changes in technology, or changes in regulations. The landfills have been closed and the County has no landfills currently in operation. No County assets are restricted for landfill closure costs. However, the County has entered into a surety contract in lieu of a performance bond as a commitment to comply with the terms set forth in its 30 year post-closure maintenance plan for the Shake Rag Road landfill. This surety contract is with the State of Tennessee under the State's cooperative agreement with the Environmental Protection Agency (EPA). There is no surety contract pertaining to the Walnut Grove landfill.

Compensated Absences

County employees are granted sick and annual leave in varying amounts in accordance with administrative policies and union memorandums of understanding. Accumulated vacation days are required to be used annually, with a maximum accumulation of one and one-half times the amount of leave an employee can earn in a year. In the event of termination or retirement, the employees are paid for accumulated vacation days. Generally, employees are paid for accumulated sick leave, not to exceed the lesser of 75 days or \$5,772, only upon retirement. Certain exceptions to this policy occur in accordance with the terms of various union agreements.

All sick and annual pay is accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Long-term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Net Assets and Fund Equity

Entity-wide and proprietary funds net assets are classified into three components. "Invested in capital assets, net of related debt" consists of capital assets net of accumulated depreciation and reduced by outstanding debt used to finance purchase or construction of those assets. "Restricted" net assets are noncapital net assets that must be used for a particular purpose as specified by creditors, grantors, or contributors external to the County. "Unrestricted" net assets are remaining net assets that do not meet the definition of the other two categories.

In the governmental funds financial statements, fund equity is reported as either "reserved" or "unreserved" fund balances. Reserved fund balances are not available for appropriation or are legally restricted by outside parties for use for a particular purpose. Some unreserved fund balances are available for use only for purposes of the particular fund. Designations of fund balance represent tentative management plans that are subject to change.

Interest Rate Swaps

Shelby County has entered into several interest rate swap agreements to modify interest rates on outstanding debt. Amounts received to enter swap agreements are recorded as revenue in the Debt Service Fund. In the government-wide financial statements, such amounts are amortized over the life of the swap agreement. These agreements provide for net interest payments to or from the County which are also recorded in the Debt Service Fund.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and net assets or fund balances. Estimates also affect the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**(A) Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Assets**

The governmental fund balance sheet includes a reconciliation between *fund balance – total governmental funds* and *net assets – governmental activities* as reported in the government-wide statement of net assets. One element of that reconciliation explains that "long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds." Internal service funds include \$6,284,244 of long-term

liabilities and are not part of this reconciling amount. The details of this \$1,793,603,739 are as follows:

Bonds payable	\$ 1,716,763,831
Accreted value on bonds	36,402,500
Net premium and issuance cost on bonds issued	16,319,132
Compensated absences	20,532,956
Landfill postclosure	<u>3,585,320</u>
Net adjustment to reduce <i>fund balance – total governmental funds</i> to arrive at <i>net assets – governmental activities</i>	<u>\$ 1,793,603,739</u>

(B) Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances and the Government-wide Statement of Activities

The governmental fund statement of revenues, expenditures and changes in fund balances includes a reconciliation between *net changes in fund balances – total governmental funds* and *changes in net assets of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.”

The details of this \$6,106,694 difference are as follows:

Capital outlay	\$ 23,717,087
Developer Contributions	7,254,000
Depreciation expense	<u>(24,864,393)</u>
Net adjustment to increase <i>net changes in fund balances – total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i>	<u>\$ 6,106,694</u>

Another element of that reconciliation states that “the issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while repayments of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance cost, premiums, discounts, and similar items when debt is issued, whereas these amounts are deferred and amortized in the statement of activities.” The details of this \$187,396,536 difference are as follows:

Debt issued or incurred:	
Issuance of general obligation bonds	\$ 245,695,000
Premium on debt issued, net of issuance costs and amortization	1,796,325
Accretion of zero coupon bonds	4,481,023
Change in accrued interest expense	1,545,305
Principal repayments:	
General obligation debt	<u>(66,121,117)</u>
Net adjustment to decrease <i>net changes in fund balances – total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i>	<u>\$ 187,396,536</u>

III. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**(A) Budgetary Information**

The revenues and expenditures accounted for in each of the General Fund, Special Revenue Funds and Debt Service Fund have legally adopted budgets and are controlled by a formal integrated budgetary accounting system in accordance with various legal requirements that govern County operations. The County Board of Commissioners approves and appropriates the budgets for these funds annually.

Expenditures may not exceed appropriations by line item at the department level. The County mayor is authorized to transfer budgeted amounts between line items of the same category (personnel related versus all other types of expenditures) of the same division (group of departments). Any adjustments that create a new line item, increase the total budget, or require transfers between divisions or categories must be approved by the County Board of Commissioners. The reported budgetary data has been revised for amendments authorized during the year and thereafter.

All funds requiring legally adopted budgets have budgets which are adopted on a basis consistent with U.S. generally accepted accounting principles. All annual appropriations lapse at fiscal year-end. Project-length financial plans are adopted for all capital projects funds. Encumbrances represent significant commitments related to unperformed purchase orders, contracts, or other commitments for goods or services. Encumbrance accounting - under which purchase orders, contracts, and other commitments for future expenditures of funds are recorded in order to reserve that portion of the applicable appropriation - is utilized in the governmental funds during the year to facilitate effective budgetary control. Encumbrances outstanding at year-end are reported as reservations of the applicable fund balances but do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year.

(B) Deficit Fund Equity

The Employer Insurance Fund, an internal service fund, has deficit net assets at June 30, 2006 of \$959,015. This fund incurs long-term claims that are recognized as liabilities, however, they will be funded on a current basis. The long-term portion of these claims was \$3,729,808 at June 30, 2006. Also, premiums have been increased and other steps have been taken which reduced the deficit net assets by \$2,155,012 in 2006 and are expected to continue to reduce this deficit.

IV. DETAILED NOTES ON ALL FUNDS**(A) Deposits and Investments***Shelby County Government, except for the Retirement System:*

The County, including agency funds but excluding the retirement system, had the following investments at June 30, 2006. Of the total investments per financial reports, \$36,982,840 is reported on the Statement of Net Assets and \$4,600,000 is reported on the on the Statement of Fiduciary Net Assets for the constitutional officers agency fund.

All investments are valued at cost, amortized cost, or fair value as disclosed in Note I (E) above:

U.S. Government agency securities	\$ 76,680,763
Commercial paper	28,843,030
Tennessee Local Government Investment Pool (LGIP)	<u>87,909,927</u>
Total investments for disclosure purposes	193,433,720
 Add certificates of deposit reported as investments	 34,658,777
Less amounts reported as cash equivalents	<u>(186,509,657)</u>
Total investments per financial reports	<u>\$ 41,582, 840</u>

Custodial credit risk. Bank deposits and certificates of deposit of the County, consistent with State statutes, are covered by federal depository insurance (FDIC) or are collateralized by a multiple financial institution collateral pool administered by the Treasurer of the State of Tennessee. On limited occasions the County may have deposits with financial institutions that do not participate in the State collateral pool; in these instances separate collateral equal to at least 105% of the uninsured deposit is collateralized and held in the County's name by a third party. These provisions covered all County deposits at year-end.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Both State statutes and the County's investment policy limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. Investments of \$6,924,063 mature between one and two years and all other investments mature in one year or less.

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Both State statutes and the County's investment policy limit permissible investments or impose collateral and custody provisions as specified above or in Note I (E) to significantly limit credit risk. By policy investments in commercial paper must be rated A1/P1 by at least two rating services. Although the LGIP itself is unrated, its types of investments and maturities provide a similar level of credit risk.

The County Trustee handles Shelby County School Board investments with the LGIP. Those investments are not included above but are reported in the component units figures within this report and are disclosed in the separately issued financial report of the Board of Education.

Shelby County Retirement System (Fiduciary Fund). At June 30, 2006 the Retirement System had deposits of \$58,347,061 that were not insured and were uncollateralized. At June 30, 2006 the Retirement System reported the following investments with carrying amounts as shown:

U.S. Government and government-backed obligations	\$ 46,798,559
Corporate bonds	119,423,999
Common stocks	493,448,001
Common stocks held in a collective trust	26,658,039
Limited partnership interests	20,877,190
Hedge funds	<u>136,790,406</u>
 Total investments	 <u>\$ 843,996,194</u>

The fair values of fixed income investments grouped by maturity at June 30, 2006 are as follows:

Current to one year	\$ 9,571,761
One to two years	11,084,173
Two to three years	10,990,821
Three to four years	10,002,879
Four to five years	6,221,550
Five years or more	<u>118,351,374</u>
Total	<u>\$ 166,222,558</u>

At June 30, 2006 the Retirement System had \$85,167,854 of investments with exposure to foreign currency risk.

The above information was taken from the publicly available financial report of the Retirement System for the year ended June 30, 2006. The report includes more information on the credit quality of investments in fixed income debt securities and the investments with foreign currency risk. The report may be obtained from the Shelby County Retirement System, Suite 950, 160 N. Main Street, Memphis, Tennessee 38103.

(B) Property Taxes Receivable

Property taxes attach an enforceable lien on property on January 1 of each year. The various types of property are assessed at a percentage of market value as follows:

Farm and residential real property	25%
Commercial/industrial real property	40%
Commercial/industrial tangible personal property	30%
Commercial/industrial intangible personal property	40%
Public utilities real/personal property	55%

The assessed value on which the fiscal 2006 tax bills were based was \$17,220,258,313. The estimated market value was \$57,726,276,478, making the overall assessed value 29.83% of the estimated market value. Taxes are due October 1 and delinquent March 1 of the following year. Current tax collections for the year were 92.35% of the original tax levy and 94.14% of the adjusted tax levy. The property tax levy has no legal limit. The rate, as permitted by Tennessee state law and County charter, is set annually on or after July 1, by the County Board of Commissioners and collected by the County Trustee.

The County allocated the property tax per \$100 of the assessed value as follows:

General fund	\$ 1.22
Debt service funds	.80
Boards of education	<u>2.02</u>
Countywide tax rate	<u>\$ 4.04</u>
Debt service - rural school bonds	<u>\$.05</u>

The \$0.05 for debt service on rural school bonds only applies to properties outside the city of Memphis.

Property taxes receivable as of year-end, including the applicable allowances for uncollectible accounts, are as follows:

	General Fund	Education Fund	Service Fund	Total
Property taxes receivable	\$ 235,782,589	\$ 387,908,811	\$ 156,695,684	\$ 780,387,084
Less allowance for uncollectibles	(14,398,686)	(22,904,064)	(9,048,384)	(46,351,134)
	<u>\$ 221,383,903</u>	<u>\$ 365,004,747</u>	<u>\$ 147,647,300</u>	<u>\$ 734,035,950</u>

Note IV(G) includes detail of deferred revenue relating to property taxes.

(C) Notes Receivable

Notes receivable consist of the following:

	<u>Amount</u>	<u>Collateral</u>
<i>General Fund</i>		
Property loans receivable due in various installments at 6.5% interest through 2006	<u>\$ 360,002</u>	Land & Building
<i>Grants Fund</i>		
Mortgage loans receivable due in various installments at 0% to 5.0% interest through 2019	<u>\$ 602,599</u>	Land & Building
<i>Capital Projects Fund</i>		
Mid South Coliseum note due in annual installments of \$21,993 including interest at 6.26% through 2014	\$ 159,889	None
Depot Redevelopment note due in annual payments plus semi-annual interest payments through August 1, 2020	3,255,000	None
Rock-N-Soul Museum note due in 10 annual installments of \$100,000 plus interest at 5.00% through August 31, 2010	1,000,000	None
Less: Allowance for doubtful accounts	<u>(1,000,000)</u>	
Total Capital Projects Fund	<u>\$ 3,414,889</u>	
<i>Debt Service Fund</i>		
Mortgage loans receivable due in various monthly installments at interest rates ranging from 3.125% to 8.125% through 2020	<u>\$ 8,045,224</u>	Land & Building

In fiscal 2002 an allowance for doubtful accounts was established in the amount of \$1,000,000 for the Rock-N-Soul Museum.

Note IV(G) includes details of deferred revenue relating to notes receivable. The Debt Service Fund and the Capital Projects Fund have notes receivable from Shelby County Health Care Corporation in the amounts of \$3,439,834 and \$3,006,649 respectively, which are classified as due from component units for financial statement purposes.

(D) Leases Receivable

The County leases certain real property described as Shelby Place Restaurant ("Butcher Shop of Cordova and Executive Chef") for the sum of \$192,500 annually, plus additional rent of 5% of gross sales less taxes after recoupment of base rent and in lieu of tax payments. The term of the lease commenced on March 1, 1993. There are three additional option terms of five years each available. The option term currently in effect will expire in 2008. The rental income is recognized as revenue in the Debt Service Fund. Executive Chef has entered bankruptcy. At June 30, 2006 they owed \$148,625 for which an allowance for doubtful accounts has been provided.

(E) Capital Assets

Capital asset activity of the primary government for the year ended June 30, 2006 is detailed below. The beginning balance has been restated as described in Note IV (Q).

	Restated Beginning Balance	Increases	Decreases	Ending Balance
<i>Governmental activities:</i>				
Capital assets not being depreciated:				
Land	\$ 16,945,249	\$ 3,308,374	\$ (37,252)	\$ 20,216,371
Construction in progress	39,638,881	21,777,779	(34,884,118)	26,532,542
Total not being depreciated	<u>56,584,130</u>	<u>25,086,153</u>	<u>(34,921,370)</u>	<u>46,748,913</u>
Capital assets being depreciated:				
Land improvements	12,700,920	---	---	12,700,920
Buildings	220,448,168	7,714,300	---	228,162,468
Equipment	66,802,680	15,869,175	(7,664,982)	75,006,873
Infrastructure	452,496,429	18,122,164	---	470,618,593
Total being depreciated	<u>752,448,197</u>	<u>41,705,639</u>	<u>(7,664,982)</u>	<u>786,488,854</u>
Less accumulated depreciation:				
Land improvements	3,066,249	447,111	---	3,513,360
Buildings	76,965,993	6,085,427	---	83,051,420
Equipment	43,362,224	5,724,186	(7,212,350)	41,874,060
Infrastructure	118,753,794	13,111,352	---	131,865,146
Total accumulated depreciation	<u>242,148,260</u>	<u>25,368,076</u>	<u>(7,212,350)</u>	<u>260,303,986</u>
Total capital assets being depreciated, net	<u>510,299,937</u>	<u>16,337,563</u>	<u>(452,632)</u>	<u>526,184,868</u>
Governmental activities capital assets, net	<u>\$ 566,884,067</u>	<u>\$ 41,423,716</u>	<u>\$ (35,374,002)</u>	<u>\$ 572,933,781</u>
<i>Business type activities:</i>				
Capital assets being depreciated:				
Buildings	\$ 46,919,652	\$ ---	\$ (278,799)	\$ 46,640,853
Equipment	7,775,045	855,181	(657,851)	7,972,375
Total being depreciated	<u>54,694,697</u>	<u>855,181</u>	<u>(936,650)</u>	<u>54,613,228</u>
Less accumulated depreciation:				
Buildings	19,858,148	1,066,887	(151,378)	20,773,657
Equipment	5,861,459	700,794	(657,851)	5,904,402
Total accumulated depreciation	<u>25,719,607</u>	<u>1,767,681</u>	<u>(809,229)</u>	<u>26,678,059</u>
Business-type activities capital assets, net	<u>\$ 28,975,090</u>	<u>\$ (912,500)</u>	<u>\$ (127,421)</u>	<u>\$ 27,935,169</u>

Increases to accumulated depreciation in governmental activities include depreciation expense of \$24,864,393 and accumulated depreciation associated with assets transferred in from enterprise funds of \$503,683. Depreciable land improvements consist of renovations to public park lands and parking lots.

A summary of governmental capital assets, net and depreciation expense by function follows:

	Capital Assets Net	Depreciation Method
Governmental activities:		
General government	\$ 31,088,633	\$ 8,723,455
Planning & Development	20,981	21,475
Public Works	450,169,339	12,876,325
Corrections	1,408,716	73,213
Health services	6,014,652	392,231
Community services	2,000,717	43,215
Law enforcement	44,664,424	1,833,131
Judicial	7,612,082	307,639
Other elected officials	3,421,695	593,709
	546,401,239	24,864,393
Construction in progress	26,532,542	---
Total Governmental Activities	\$ 572,933,781	\$ 24,864,393

(F) Lease Obligations

Operating Leases

The County leases office space and transportation equipment under operating leases expiring during the next five years. The following is a schedule by years of future minimum rental payments required under operating leases that have initial or remaining noncancelable lease terms in excess of one year as of June 30, 2006:

Fiscal Year	Primary Government
2007	\$ 1,767,548
2008	1,386,494
2009	1,257,683
2010	1,147,835
2011	832,729
	<u>\$ 6,392,289</u>

Rent expense for the year ended June 30, 2006 was \$3,464,236 for the primary government.

Capital Lease

The County has a capital lease related to the acquisition of three Emergency One C550 Typhoon Pumper trucks for the Fire Services Fund, a business-type activity, at a cost of \$863,307. Annual payments, including interest, will be \$110,989 for each of the next eight fiscal years. The principal balance outstanding at June 30, 2006 is \$721,717.

(G) Deferred Revenue

Deferred revenues consist of the following:

	General Fund	Debt Service Fund	Education Fund	Grants Fund	Capital Projects Fund	Totals
Unearned:						
Property taxes receivable	\$ 207,000,000	\$ 138,700,000	\$ 342,700,000	\$ ---	\$ ---	\$ 688,400,000
Grant revenue	---	---	---	3,512,619	---	3,512,619
Not Available:						
Property taxes receivable	12,915,152	7,991,228	19,913,932	---	---	40,820,312
Notes receivable	360,002	8,045,224	---	602,599	3,414,889	12,422,714
Due from Shelby County Health Care Corporation	---	3,439,834	---	---	3,006,649	6,446,483
Other	687,825	---	---	---	51,999	739,824
	<u>\$ 220,962,979</u>	<u>\$ 158,176,286</u>	<u>\$ 362,613,932</u>	<u>\$ 4,115,218</u>	<u>\$ 6,473,537</u>	<u>\$ 752,341,952</u>

Internal service funds have deferred revenue of \$3,445,878 for unearned premiums. The proprietary Consolidated Codes Enforcement Fund has deferred revenue of \$88,015 for building permits and licensing fees paid in advance.

(H) Debt and Long-term LiabilitiesChanges in short term debt:

The County has two types of short-term debt. Tax anticipation notes (TANS) are issued for short-term cash flow requirements due to the timing of property tax collections. Extendible Municipal Commercial Paper (EMCP) notes are issued to fund capital projects; the notes are paid when long-term bonds are issued. Following is a schedule of short-term debt for the current fiscal year:

	Balance June 30, 2005	Additions	Reductions	Balance June 30, 2006
2005 TANS	\$ ---	\$ 81,940,000	\$ (81,940,000)	\$ ---
2004 EMCP	111,000,000	4,000,000	(115,000,000)	---
2005 EMCP	30,000,000	115,000,000	(135,000,000)	10,000,000
Total	<u>\$ 141,000,000</u>	<u>\$ 200,940,000</u>	<u>\$ (331,940,000)</u>	<u>\$ 10,000,000</u>

Changes in long-term liabilities:

Changes in long-term liabilities during the year were:

	Balance June 30, 2005	Additions	Reductions	Balance June 30, 2006	Due Within One Year
Governmental activities:					
Bonds payable	\$ 1,569,111,426	\$ 250,176,022	\$ (66,121,117)	\$ 1,753,166,331	\$ 80,029,551
Net premium and issuance cost of bonds issued	14,522,807	5,332,782	(3,536,457)	16,319,132	4,667,396
Claims and judgements	9,025,381	1,115,214	(3,939,767)	6,200,828	—
Landfill postclosure care costs	3,638,946	—	(53,626)	3,585,320	63,739
Sick and annual leave	19,208,745	10,332,000	(8,924,373)	20,616,372	12,420,739
Total governmental activities	<u>\$ 1,615,507,305</u>	<u>\$ 266,956,018</u>	<u>\$ (82,575,340)</u>	<u>\$ 1,799,887,983</u>	<u>\$ 97,181,425</u>
Business-type activities:					
Capitalized lease obligations	794,188	—	(72,471)	721,717	110,989
Sick and annual leave	4,272,217	1,955,692	(1,897,133)	4,330,776	2,583,840
Total business-type activities	<u>\$ 5,066,405</u>	<u>\$ 1,955,692</u>	<u>\$ (1,969,604)</u>	<u>\$ 5,052,493</u>	<u>\$ 2,694,829</u>

General obligations bonds:

These obligations are direct general obligations of the County, are backed by its full faith and credit and the unlimited taxing power of the County and represent borrowings for the following:

General government	\$ 664,012,691
Education	<u>1,052,751,140</u>
	1,716,763,831
Accreted value of bonds	<u>36,402,500</u>
	<u>\$ 1,753,166,331</u>

Interest expense in the Debt Service Fund during the fiscal year ended June 30, 2006 was \$71,228,899.

In addition to the general obligation bonds reported in long-term debt there is \$10,000,000 reported in the Capital Projects Fund for the Extendible Municipal Commercial Paper Notes (EMCP) sold and outstanding as of June 30, 2006.

The County defeased certain bonds by placing the proceeds of the new bonds in irrevocable trusts to provide for all future debt service requirements on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the County's financial statements. Of the original principal, \$350,130,000 of outstanding bonds that were advance refunded prior to Fiscal Year 2006 are considered defeased at June 30, 2006. Specific defeased maturities are shown on the combining and other statements and schedules for General Obligation Bonds.

In April 2005 the Shelby County Board of Commissioners authorized the issuance of up to \$275,000,000 in Capital Outlay Extendible Municipal Commercial Paper (EMCP) Notes, 2005 Series A Program. The aggregate outstanding principal amount may not exceed \$275,000,000 at any time. In February 2006, the County refunded and ultimately retired \$135 million of \$145 million of issued 2005 EMCP, leaving \$10 million outstanding at June 30, 2006. On February 22, 2006, the County authorized the issuance of \$86,105,000 General Obligation Public Improvement and

School Bonds, 2006 A Program and \$159,590,000 General Obligation Rate Demand Public Improvement and School Bonds, 2006 Series B Program.

The County is indebted for serial bonds and capital appreciation bonds and notes and variable bonds with interest rates varying from 2.50% to 6.75%. In the Debt Service Fund the County does not accrue interest on bonds payable; therefore, unmatured interest is recognized as an expenditure when due.

All unmatured interest which is due in future years is disclosed in the table below. The County has no legal debt limit. Debt service requirements for principal and interest in future years, using the actual rate on fixed rate bonds and notes and 4.115% for the 1999 Series A Variable Demand Refunding Bonds, 6.035% for the 2000 Series A General Obligation Weekly Adjustable/Fixed Rate Bonds Refunding, 5.345% for the 2001 Series A General Obligation Weekly Adjustable/Fixed Rate Bonds and 3.041% for the 2004 Series B General Obligation Variable Rate Demand Public Improvement and School Bonds, and 3.503% for the 2006 Series B General Obligation Weekly Adjustable/Fixed Rate Bonds from 2/22/2006 to 3/1/2016 and a rate of 4.430% from 3/1/2016 to 3/1/2031 are as follows:

Years Ended June 30	Principal	Interest	Total
2007	\$ 80,044,550	\$ 77,071,800	\$ 157,116,350
2008	83,695,650	73,162,826	156,858,476
2009	88,143,150	68,954,179	157,097,329
2010	95,825,000	61,090,497	156,915,497
2011	100,980,000	56,502,427	157,482,427
2012	84,361,807	67,331,027	151,692,834
2013	76,179,649	69,224,146	145,403,795
2014	86,672,657	52,428,787	139,101,444
2015	84,027,794	48,803,750	132,831,544
2016	85,128,077	41,760,692	126,888,769
2017	76,500,497	43,490,477	119,990,974
2018	81,635,000	32,194,852	113,829,852
2019	79,945,000	28,470,666	108,415,666
2020	76,140,000	24,983,052	101,123,052
2021	73,010,000	21,596,321	94,606,321
2022	69,755,000	18,355,894	88,110,894
2023	65,270,000	15,349,561	80,619,561
2024	62,465,000	12,563,524	75,028,524
2025	58,840,000	9,752,376	68,592,376
2026	49,435,000	7,509,122	56,944,122
2027	45,655,000	5,583,375	51,238,375
2028	34,630,000	3,927,954	38,557,954
2029	32,925,000	2,571,211	35,496,211
2030	26,220,000	1,493,265	27,713,265
2031	19,280,000	640,576	19,920,576
	1,716,763,831	844,812,357	2,561,576,188
Accreted value of Bonds	36,402,500	(36,402,500)	---
	<u>\$ 1,753,166,331</u>	<u>\$ 808,409,857</u>	<u>\$ 2,561,576,188</u>

Interest rate swap agreements:

As of June 30, 2006 Shelby County has ten interest rate swap agreements, described as follows:

Swap One, Executed with Morgan Guaranty Trust Company on 12/18/1998 in connection with the General Obligation Weekly Adjustable/Fixed Rate Refunding Bonds, 2000 Series A:

Swap Objective: Shelby County (the “County”) received an upfront payment from the Counterparty for entering into a swaption. This swaption gave the Counterparty the option to cause the County to enter into a swap in which the County would pay a fixed rate and receive a floating rate. Upon exercise of the option, the County would currently refund a portion of its 1992 Series A Refunding Bonds with variable rate bonds and enter into a fixed payer swap.

Swap Terms:

Trade Date	Option Notification Date	Swap Effective Date	Swap Maturity Date	Original Notional Amount	Fixed Payer Rate	Underlying Index	Upfront Cash Payment
12/18/1998	11/30/1999	12/2/1999	3/1/2008	\$16,600,000	6.035%	BMA	\$ 1,275,000

On 12/18/1998, the County received \$1,275,000 for granting the Counterparty, Morgan Guaranty Trust Company (“Morgan”), the right to enter into a swap on a future date. In 1998, this payment represented the present value savings of the refunding as of 1999. Morgan had the right to exercise the option by notifying the County on 11/30/1999. The option was exercised and the swap began on 12/2/1999 with the County paying 6.035% and receiving BMA until 3/1/2008, the maturity date of the bonds. The swap and refunding bonds had the same original notional amount of \$16,600,000 and have the same principal amortization.

Fair Value of Swap Option: As of 6/30/2006, there is no fair value for the option because it has been exercised. The swap, as of 6/30/2006 has a net value of (\$122,965). The total mark-to-market was (\$161,060) of which approximately \$38,094 is accrued interest from 3/1/2006 to the valuation date, 6/30/2006. This fair value was measured by a swap pricing system in which the future net settlement swap payments were calculated and discounted to the valuation date using future spot interest rates. The future spot rates are zero-coupon bonds due on the future settlement dates implied from the current yield curve.

Associated Debt and Swap Payments: This swap is in conjunction with the General Obligation Weekly Adjustable / Fixed Rate Refunding Bonds, 2000 Series A that refunded a portion of the 1992 Series A Bonds. Below are the principal and interest requirements of the debt and the net swap payments as of 6/30/2006 (assuming BMA equals its current level of 3.97% for the term of the swap). The net swap payments will fluctuate as BMA changes.

Fiscal Year Ended June 30	Variable Rate Bonds		Net Swap Payments	Total
	Principal	Interest		
2007	\$ 2,300,000	\$ 189,538	\$ 99,120	\$ 2,588,658
2008	2,500,000	98,978	51,353	2,650,331
Total	<u>\$ 4,800,000</u>	<u>\$ 288,516</u>	<u>\$ 150,473</u>	<u>\$ 5,238,989</u>

Credit Risk: Because the swap has a negative value on 6/30/2006, the County does not have credit risk to Morgan. However, if swap rates increase and the fair value of the swap moves in favor of the County, credit risk would be present. The current ratings of Morgan are Aa2/AA by Moody’s and Standard & Poor’s, respectively.

Termination Risk: If the swap has an unanticipated termination and the swap has a negative fair value due to a decline in swap rates, the County may owe a termination payment to Morgan equal to the fair value of the swap at that time. Also, if the swap is terminated, the County will be exposed to interest rate risk because the variable rate bonds will no longer carry a synthetic fixed rate.

Interest Rate Risk: Currently, the County does not have interest rate risk because it is paying a fixed rate on the swap. However, if for some unforeseen reason the swap is terminated prior to maturity, the County will have interest rate risk associated with the outstanding variable rate bonds until maturity in 2008.

Basis Risk: As long as there is not a direct relationship between the floating rate received from the Counterparty and the rate at which the variable rate bonds remarket, the County is exposed to basis risk. Basis risk exists if the County's bonds remarket higher than BMA, which is the rate received from the Counterparty. Thus, the expected cost savings may not be achieved.

Swap Two: Executed with Morgan Guaranty Trust Company on 12/18/1998 in Connection with the General Obligation Weekly Adjustable / Fixed Rate Refunding Bonds, 2001 Series A:

Swap Objective: The County received an upfront payment from the Counterparty for entering into a swaption. This swaption gave the Counterparty the option to cause the County to enter into a swap in which the County would pay a fixed rate and receive a floating rate. Upon the Counterparty's exercise of the option, the County would currently refund a portion of its 1992 Series B and 1993 Series A G.O. Refunding Bonds with variable rate bonds and enter into a fixed payer swap.

Swap Terms:

Trade Date	Option Notification Date	Swap Effective Date	Swap Maturity Date	Original Notional Amount	Fixed Payer Rate	Underlying Index	Upfront Cash Payment
12/18/1998	11/29/2000	12/1/2000	3/1/2011	\$ 21,800,000	5.345%	BMA	\$ 1,025,000

On 12/18/1998, the swaption was executed and the County received \$1,025,000 for granting the Counterparty, Morgan Guaranty Trust Company, the right to enter into a swap on a future date. In 1998, this payment represented the present value savings of the refunding as of 12/1/2000. Morgan had the right to exercise the option by notifying the County on 11/29/2000. The option was exercised and the swap began on 12/1/2000 with the County paying 5.345% and receiving BMA until 3/1/2011, the maturity date of the bonds. The swap and refunding bonds had the same original notional amount of \$21,800,000 and have the same principal amortization.

Fair Value of Swap and Option: As of 6/30/2006, there is no fair value for the option because it has been exercised. The swap, as of 6/30/2006 has a net value of (\$708,841). The total mark-to-market was (\$790,278) of which approximately \$81,437 is accrued interest from 3/1/2006 to the valuation date, 6/30/2006. This fair value was measured by a swap pricing system in which the future net settlement swap payments were calculated and discounted to the valuation date using future spot interest rates. The future spot rates are zero-coupon bonds due on the future settlement dates implied from the current yield curve.

Associated Debt and Swap Payments: This swap is in conjunction with the General Obligation Weekly Adjustable / Fixed Rate Refunding Bonds, 2001 Series A which refunded a portion of the 1992 Series B and 1993 Series A Bonds. As of 6/30/2006, below are the principal and interest requirements of the debt and the net swap payments (assuming BMA equals its current level of 3.97% for the term of the swap). The net swap payments will fluctuate as BMA changes.

Fiscal Year Ended June 30	Variable Rate Bonds		Net Swap	Total
	Principal	Interest	Payments	
2007	\$ 1,100,000	\$ 567,221	\$ 198,000	\$ 1,865,221
2008	1,100,000	523,909	181,428	1,805,337
2009	1,200,000	480,359	167,750	1,848,109
2010	1,200,000	433,111	151,250	1,784,361
2011	9,800,000	385,862	134,750	10,320,612
Total	\$ 14,400,000	\$ 2,390,462	\$ 833,178	\$ 17,623,640

Credit Risk: Because the swap has a negative value on 6/30/2006, the County does not have credit risk to Morgan. However, if swap rates increase and the fair value of the swap moves in favor of the County, credit risk would be present. The current ratings of Morgan are Aa2/AA by Moody's and Standard & Poor's, respectively.

Termination Risk: If the swap has an unanticipated termination and the swap has a negative fair value due to a decline in swap rates, the County may owe a termination payment to Morgan equal to the fair value of the swap at that time.

Interest Rate Risk: Currently, the County does not have interest rate risk because it is paying a fixed rate on the swap. However, if for some unexpected reason the swap is terminated prior to maturity, the County will have interest rate risk associated with the variable rate bonds until maturity in March 2011.

Basis Risk: As long as there is not a direct relationship between the floating rate received from the Counterparty and the rate at which the variable rate bonds remarket, the County is exposed to basis risk. Basis risk exists if the County's bonds remarket higher than BMA, which is the rate received from the Counterparty. Thus, the expected cost savings may not be achieved.

Swap Three, Executed with Goldman Sachs Mitsui Marines Derivative Products on 1/15/1999 in Connection with the 1999 Series A General Obligation Variable Rate Demand Refunding Bonds:

Swap Objective: In order to lower its borrowing costs, the County entered into a swap in connection with its 1999 Series A General Obligation Variable Rate Demand Refunding Bonds. The variable rate bonds were issued to advance refund a portion of various outstanding G.O. bond issues. At the time, the synthetic fixed rate swap was favorable when compared to savings that could be achieved with a traditional fixed rate refunding bond issue. Additionally, the County entered into this tax language swap to effectively lower the fixed rate it would pay on the swap.

Swap Terms:

Trade Date	Swap Effective Date	Swap Maturity Date	Original Notional Amount	Fixed Payer Rate	Underlying Index
1/15/1999	1/28/1999	4/1/2020	\$ 96,150,000	4.115%	Actual Bond Rate or Alternative Index until 1/1/2007; 76.6% 1-month LIBOR thereafter

On 1/28/1999, the swap became effective at the same time the 1999 Series A General Obligation Variable Rate Demand Refunding Bonds were issued. Under the terms of the swap, the County pays 4.115% to the Counterparty, Goldman Sachs Mitsui Marines Derivative Products, L.P. ("Goldman"), and in return receives the Actual Bond Rate or an Alternative Index. If certain events occur, Goldman has the option to cause the Floating Rate Index to

be converted from the Actual Bond Rate to the Alternate Index, or vice versa. The Alternate Index is either the BMA index or 65% of 30 day commercial paper. However, beginning 1/1/2007, the County will receive 76.6% 1-month LIBOR instead of the Alternate Index. The swap and refunding bonds had the same original notional amount of \$96,150,000 and have the same principal amortization and maturity.

Fair Value of Swap: As of 6/30/2006, the swap had a positive fair value of \$844,523, assuming Goldman pays the County the Actual Bond Rate until 1/1/2007 and then 76.6% 1-month LIBOR from 1/1/2007 to maturity. This fair value was measured by a swap pricing system in which the future net swap settlement payments were calculated and discounted to the valuation date using future spot interest rates. The future spot rates are zero-coupon bonds due on the future settlement dates implied from the current yield curve.

Associated Debt and Swap Payments: This swap is in conjunction with the 1999 Series A General Obligation Variable Rate Demand Refunding Bonds that advance refunded portions of several bond issues. As of 6/30/2006, below are the principal and interest requirements of the debt and the net swap payments. The cash flows below assume that BMA equals its current level, as of 6/30/2006, of 3.97% and 1-month LIBOR equals its current level of 5.33438% for the term of the swap, and Goldman pays the Actual Bond Rate to the County of BMA plus 5 basis points until 1/1/2007 and will pay the County 76.6% of 1-month LIBOR thereafter until maturity. The net swap payments will fluctuate as BMA, LIBOR, and the Actual Bond Rate change.

Fiscal Year Ended June 30	Variable Rate Bonds		Net Swap Payments	Total
	Principal	Interest		
2007	\$ 150,000	\$ 3,783,448	\$ 110,982	\$ 4,044,430
2008	16,225,000	3,777,509	16,826	20,019,335
2009	625,000	3,131,612	22,803	3,779,415
2010	675,000	3,106,868	51,306	3,833,174
2011	9,650,000	3,080,144	22,428	12,752,572
2012	13,325,000	2,698,088	12,024	16,035,112
2013	9,300,000	2,167,636	15,796	11,483,432
2014	14,625,000	1,799,438	13,112	16,437,550
2015	12,750,000	1,220,416	8,890	13,979,306
2016	4,100,000	715,628	3,189	4,818,817
2017	4,250,000	552,412	4,027	4,806,439
2018	4,500,000	384,149	2,800	4,886,949
2019	4,675,000	205,989	1,501	4,882,490
2020	525,000	20,900	93	545,993
Total	\$ 95,375,000	\$ 26,644,237	\$ 285,777	\$ 122,305,014

Credit Risk: The County has credit exposure to Goldman equivalent to the fair value of the swap. If Goldman fails to perform under the terms of the swap contract, the County could have a loss equal to that mark-to-market value. The current ratings of Goldman are Aaa/AAA by Moody's and Standard & Poor's, respectively.

Termination Risk: If the swap has an unanticipated termination or the County exercises its option to terminate, the County may owe a termination payment to Goldman equal to the fair value of the swap at that time, if swap rates have declined and the fair value is negative to the County. The County or Goldman may terminate the swap contract if either party fails to perform under the swap contract or if either party's credit rating falls below A3 from Moody's and/or A- from Standard & Poor's. The County also has the option to terminate the contract with at least 30 days notice to Goldman. The County will not exercise its termination option if a payment would be payable by

the County unless the County provides evidence to Goldman that a termination payment will be made on the Early Termination Date.

Interest Rate Risk: Currently, the County does not have interest rate risk because it is paying a fixed rate on the swap. However, if for some unforeseen reason the swap is terminated prior to maturity, the County will have interest rate risk associated with the outstanding variable rate bonds until maturity in April 2020.

Basis Risk: Currently, the County is receiving the Actual Bond Rate so no basis risk exists. However, beginning January 1, 2007, the County could be exposed to basis risk. The basis risk will arise from the difference between the actual interest rate paid on the variable rate bonds and the receipt from Goldman of 76.6% of 1-month LIBOR. This basis differential could cause the expected savings to not be achieved.

Swap Four, Executed with Morgan Stanley Capital Services, Inc. on 3/18/04 in Connection with 2004 Series B General Obligation Public Improvement and School Bonds:

Swap Objective: On March 18, 2004, the County entered into a swap that will produce a synthetic fixed rate in connection with its variable rate bonds. Under the terms of the swap, the County will pay a fixed rate of 2.696% and receive 70% of 1-month LIBOR. The County entered into this fixed payer swap in order to hedge variable rate exposure and take advantage of the low fixed payer swap rates.

Swap Terms:

Trade Date	Swap Effective Date	Swap Maturity Date	Original Notional Amount	Fixed Payer Rate	Underlying Index
03/18/2004	04/22/2004	04/1/2014	\$ 235,000,000	2.696%	70% of 1 Month LIBOR

On 4/22/2004, the swap became effective at the same time the 2004 G.O. Variable Rate Public Improvement and School Bonds were issued. Under the terms of the swap, the County pays 2.696% to the Counterparty, Morgan Stanley Capital Services, Inc. (Morgan Stanley), and in return receives 70% of 1 Month LIBOR. The original swap notional was \$235,000,000 while the bonds original notional was \$237,705,000. The Bonds and swap also have different principal amortization and maturity. The bonds mature April 1, 2030. The swap matures in 2014 because the County wanted a fixed component via the swap for 10 years and in 2014, the County wanted the flexibility to take on variable rate exposure, enter into another fixed payer swap, or issue fixed rate debt. The notional amount decreases from \$235,000,000 to \$135,000,000 effective April 1, 2009 through the termination date of April 1, 2014.

Fair Value of Swap and Option: As of 6/30/2006, the swap had a fair value of \$13,796,541. This fair value was measured by a swap pricing system in which the future net settlement swap payments were calculated and discounted to the valuation date using future spot interest rates. The future spot rates are zero-coupon bonds due on the future settlement dates implied from the current yield curve.

Associated Debt and Swap Payments: This swap is in conjunction with the 2004 G.O. Variable Rate Public Improvement and School Bonds. As of 6/30/06, below are the principal and interest requirements of the debt and the net swap payments. The cash flows below assume that BMA equals its current level of 3.97% for the term of the swap, and Morgan Stanley pays 70% of 1 Month LIBOR to the County which as of 6/30/06 equals 3.7341% (5.33438% x 70%). The net swap payments will fluctuate as 70% of LIBOR changes.

Fiscal Year Ended June 30	Variable Rate Bonds		Net Swap Payments	Total
	Principal	Interest		
2007	\$ ---	\$ 9,554,685	\$ (2,561,331)	\$ 6,993,354
2008	---	9,554,685	(2,585,706)	6,968,979
2009	---	9,554,685	(2,561,330)	6,993,355
2010	---	9,554,685	(1,471,403)	8,083,282
2011	---	9,554,685	(1,471,403)	8,083,282
2012	---	9,554,685	(1,485,406)	8,069,279
2013	---	9,554,685	(1,471,403)	8,083,282
2014	---	9,554,685	(1,471,403)	8,083,282
2015	8,290,000	9,554,685	---	17,844,685
2016	9,120,000	9,221,915	---	18,341,915
2017	10,030,000	8,853,817	---	18,883,817
2018	11,030,000	8,451,201	---	19,481,201
2019	12,140,000	8,008,445	---	20,148,445
2020	13,350,000	7,521,132	---	20,871,132
2021	14,685,000	6,982,304	---	21,667,304
2022	16,155,000	6,392,831	---	22,547,831
2023	17,770,000	5,744,352	---	23,514,352
2024	19,545,000	5,031,044	---	24,576,044
2025	21,500,000	4,242,175	---	25,742,175
2026	13,775,000	3,379,142	---	17,154,142
2027	15,150,000	2,826,198	---	17,976,198
2028	16,665,000	2,218,060	---	18,883,060
2029	18,335,000	1,545,433	---	19,880,433
2030	20,165,000	809,446	---	20,974,446
Total	\$ 237,705,000	\$ 167,219,660	\$ (15,079,385)	\$ 389,845,275

Credit Risk: The County has credit exposure to Morgan Stanley equivalent to the fair value of \$13,796,541. If Morgan Stanley fails to perform under the terms of the swap contract, the County could have a loss equal to that mark-to-market value. As of 6/30/2006, the ratings of Morgan Stanley are Aa3/A+ by Moody's and Standard & Poor's, respectively. To mitigate credit risk, if Standard & Poor's and Moody's rates the creditworthiness of Morgan Stanley's senior, unsecured, unenhanced debt below a rating of "A" in the case of Standard & Poor's or "A2" in the case of Moody's, treasuries or cash will be pledged.

Termination Risk: If the swap has an unanticipated termination, the County may owe a termination payment to Morgan Stanley equal to the fair value of the swap at that time, if swap rates have fallen and the fair value is negative to the County. If either Standard & Poor's or Moody's rates the creditworthiness of either party's long-term, unsecured, and unsubordinated debt, deposit or letter of credit obligations below Baa1 by Moody's or BBB+ by Standard & Poor's, an Additional Termination Event has occurred. As of 6/30/2006, Morgan Stanley has a rating of Aa3/A+ by Moody's and Standard & Poor's, respectively.

Interest Rate Risk: Currently, the County does not have interest rate risk because it is paying a fixed rate on the swap. However, if for some unforeseen reason the swap is terminated prior to maturity, the County will have interest rate risk associated with the outstanding variable rate bonds until bond maturity.

Basis Risk: As long as there is not a direct relationship between the floating rate received from the Counterparty and the rate at which the variable rate bonds remarket, the County is exposed to basis risk. The basis risk will arise from the difference between the actual interest rate paid on the variable rate bonds and the receipt from Morgan Stanley of 70% of 1-month LIBOR. This basis differential could cause the expected cost of funds to increase.

Tax Risk: Changes or proposed changes to the tax laws relating to the tax-exempt status of municipal bonds may result in an increase to the cost of funds because the County is receiving a percentage of a taxable index and paying BMA (tax-exempt index) on the underlying variable rate bonds.

Swap Five, Executed with Rice Financial Products Company on 10/25/2004 in Connection with the 1999 Series B General Obligation Public Improvement and School Bonds:

Swap Objective: In order to potentially lower its borrowing costs and achieve potential savings on a portion of its outstanding fixed rate debt without an additional bond issue, the County entered into a basis swap in connection with its 1999 Series B General Obligation Public Improvement and School Bonds. The intent of this Basis Swap when executed was to lower the County's net cost of borrowing with respect to the 1999 Series B Bonds being swapped while preserving the County's ability to advance refund the 1999 Series B Bonds on a tax-exempt basis on a later date.

Swap Terms:

Trade Date	Swap Effective Date	Swap Maturity Date	Original Notional Amount	Fixed Payer Rate	Underlying Index
10/25/2004	10/27/2004	6/1/2019	\$75,000,000	4.16%	4.95% - Adjustment Factor

Under the terms of the swap, the County pays 4.16% to the Counterparty, Rice Financial Products Company ("RFP"), and in return receives 4.95% - Adjustment Factor. The adjustment factor is equal to $(\text{BMA} / (1-.65)) - 6$ Month LIBOR). Essentially, the County will receive a fixed spread of 79 basis points, and this fixed spread will be adjusted every six months based on the actual performance and relationship between the BMA index and six-month LIBOR.

Fair Value of Swap: The swap, as of 6/30/06, has a net value of (\$406,282). This fair value was measured by a swap pricing system in which the future net swap settlement payments were calculated and discounted to the valuation date using future spot interest rates. The future spot rates are zero-coupon bonds due on the future settlement dates implied from the current yield curve.

Associated Debt and Swap Payments: This swap was executed in conjunction with the 1999 Series B General Obligation Public Improvement and School Bonds of which a portion has been advance refunded. As of 6/30/2006, below are the net swap payments (assuming BMA equals its current level of 3.97% and 6 month LIBOR equals 5.38813% for the term of the swap). The net swap payments will fluctuate as BMA and 6 month LIBOR change.

Fiscal Year Ended June 30	Fixed Rate Bonds		Swap Principal	Net Swap (Payment) Receipt
	Principal	Interest		
2007	\$ 3,000,000	\$ 1,652,500	\$ 2,690,000	\$ 42,299
2008	3,000,000	1,510,000	2,690,000	39,328
2009	3,000,000	1,367,500	2,690,000	39,047
2010	---	1,225,000	2,690,000	37,421
2011	---	1,225,000	2,690,000	35,795
2012	---	1,225,000	2,690,000	33,039
2013	---	1,225,000	3,135,000	32,543
2014	---	1,225,000	3,585,000	30,648
2015	---	1,225,000	3,765,000	28,481
2016	---	1,225,000	3,900,000	25,339
2017	---	1,225,000	4,030,000	23,848
2018	---	1,225,000	4,300,000	21,412
2019	---	1,225,000	31,125,000	18,813
2020	---	1,225,000	---	---
2021	5,500,000	1,225,000	---	---
2022	6,025,000	950,000	---	---
2023	6,350,000	648,750	---	---
2024	6,625,000	331,250	---	---
Total	\$ 33,500,000	\$ 21,600,000	\$ 69,980,000	\$ 408,013

Credit Risk: The County has credit exposure to RFP equivalent to the fair value of (\$406,282). If RFP fails to perform under the terms of the swap contract, the County could have a loss equal to that mark-to-market value. The obligations of RFP under the swap agreement are guaranteed by a surety bond that was issued by AAA rated Ambac Assurance Corporation ("Ambac").

Termination Risk: If the swap has an unanticipated termination, the County may owe a termination payment to RFP equal to the fair value of the swap at that time. The County or RFP may terminate the swap contract if either party fails to perform under the swap contract. Also, with respect to both the County and RFP, if Ambac's credit rating falls below A3 from Moody's and/or A- from Standard & Poor's, an Additional Termination Event occurs. With respect to the County, if the County has no issues of rated senior debt or it fails to have at least one issue with an unenhanced rating of at least Baa1 by Moody's or BBB+ by Standard & Poor's, then an Additional Termination Event will occur.

Interest Rate Risk: Currently, the County does not have interest rate risk because it is paying a fixed rate on the swap. However, if for some unforeseen reason the swap is terminated prior to June 1, 2019, the County will have interest rate risk associated with the outstanding variable rate bonds until the bond maturity in 2024.

Basis Risk: Depending on the relationship between the BMA and 6 month LIBOR index, the County could be exposed to basis risk. If the BMA / LIBOR ratio is greater than (1 – Marginal Tax Rate of 35%) then the fixed spread of 79 basis points that the County receives will be reduced. This basis differential could cause the expectation of lowering the net cost of borrowing to not be achieved.

Tax Risk: Changes or proposed changes to the tax laws relating to the tax-exempt status of municipal bonds may result in an increase to the cost of funds.

Swap Six, Executed with Morgan Keegan Financial Products on 6/23/2005 in connection with the Anticipated 2006 Series A General Obligation Refunding Bonds:

Swap Objective: The County will receive a payment of \$1,503,000 on 12/1/06 from the Counterparty for entering into a swaption on the trade date of 6/23/05. This swaption gives the Counterparty the option to cause the County to enter into a swap on December 1, 2006. If the Counterparty exercises the option, the County will currently refund a portion of its 1996 Series B General Obligation Refunding Bonds with variable rate bonds and enter into a fixed payer swap in which the County will pay a fixed rate and receive a floating rate. The County entered into this swaption to take advantage of 40 year lows in interest rates, to refund high coupon debt and, to receive an upfront cash payment to pay for capital expenditures to reduce debt issuance in the future.

Swap Terms:

Trade Date	Notification Date	Swap Effective Date	Swap Maturity Date	Original Notional Amount	Fixed Payer Rate	Floating Rate Index	Upfront Cash Payment
6/23/2005	11/29/2006	12/1/2006	12/1/2011	\$52,615,000	4.26%	BMA	\$ 1,503,000

On 6/23/2005, the County entered into a swaption with Morgan Keegan Financial Products ("MKFP"), and the County will be paid \$1,503,000 by MKFP for this option. The County elected to receive the payment on the call date of 12/1/06. If the option is exercised, the County will issue variable rate refunding bonds and enter into a fixed payer swap in which the County will pay 4.26% and receive the BMA index. The potential swap will have the same amortization and maturity as the underlying bond issue. The fixed swap rate of 4.26% was set at a rate that, when added to the assumed ongoing expenses for the variable rate bonds and the costs of issuance for the underlying variable rate bonds, would equal the average coupon on the outstanding 1996 Series B General Obligation Refunding Bonds.

Fair Value of Swap and Option: As of 6/30/2006, the swaption had a fair value of \$901,481. This fair value was measured by a swap pricing system in which the future net swap settlement payments were calculated and discounted to the valuation date using future spot interest rates. The future spot rates are zero-coupon bonds due on the future settlement dates implied from the current yield curve.

Associated Debt and Swap Payments: The swap is associated with a potential future refunding issue, the 2006 Series A General Obligation Refunding Bonds.

Credit Risk: The swap contract could expose the County to credit risk, depending on the fair value of the swap at that time. To mitigate credit risk, if Standard & Poor's and Moody's rates the creditworthiness of MKFP's (or the Credit Support Provider's) senior, unsecured, unenhanced debt below a rating of "A" in the case of Standard & Poor's or "A2" in the case of Moody's, treasuries or cash will be pledged.

Termination Risk: An out-of-the-ordinary event may occur that causes the contract to be terminated. At the time of termination, if the swap has a negative fair value, the County would be liable to MKFP for a payment equal to the fair value. If either Standard & Poor's or Moody's rates the creditworthiness of either party's (or the Credit Support Provider's) long-term, unsecured, unenhanced debt rating below Baa3 by Moody's or BBB- by Standard & Poor's, an Additional Termination Event has occurred. As of 6/30/2006, MKFP has a credit guarantee from Deutsche Bank AG, rated Aa3/AA- by Moody's and Standard & Poor's, respectively.

Basis Risk: Currently, the County is not exposed to basis risk. If the option is exercised in the future, as long as there is not a direct relationship between the floating rate received from MKFP (BMA Index) and the rate at which the variable rate bonds remarket, the County is exposed to basis risk. Basis risk will exist if the County's bonds

remarket higher than BMA, which is the rate received from the Counterparty. Thus, the expected cost savings may not be achieved.

Market Access Risk: The County may be exposed to market access risk if the County is not able to issue the variable rate refunding bonds in the future because of some unforeseen event. If the option is exercised and the refunding bonds are not issued, the 1996 bonds would not be refunded but the County would still have to make swap payments as required by the swap contract, if it isn't terminated. Thus, because of this, the expected cost savings may not be realized.

Swap Seven, Executed with Morgan Keegan Financial Products on 6/23/2005 in Connection with the Anticipated 2007 Series A General Obligation Refunding Bonds:

Swap Objective: The County will receive a payment of \$2,070,000 on 8/1/07 from the Counterparty for entering into a swaption on the trade date of 6/23/05. This swaption gives the Counterparty the option to cause the County to enter into a swap on August 1, 2007. If the Counterparty exercises the option, the County will currently refund a portion of its 1997 Series B General Obligation Refunding Bonds with variable rate bonds and enter into a fixed payer swap in which the County will pay a fixed rate and receive a floating rate. The County entered into this swaption to take advantage of 40 year lows in interest rates to refund high coupon debt and to receive an upfront cash payment to pay for capital expenditures to reduce debt issuance in the future.

Swap Terms:

Trade Date	Notification Date	Swap Effective Date	Swap Maturity Date	Original Notional Amount	Fixed Payer Rate	Floating Rate Index	Upfront Cash Payment
6/23/2005	7/30/2007	8/1/2007	8/1/2019	\$31,450,000	4.61%	BMA	\$ 2,070,000

On 6/23/2005, the County entered into a swaption with Morgan Keegan Financial Products ("MKFP"), and the County will be paid \$2,070,000 by MKFP for this option. The County elected to receive the payment on the call date of 8/1/07. If the option is exercised, the County will issue variable rate refunding bonds and enter into a fixed payer swap in which the County will pay 4.61% and receive the BMA index. The potential swap will have the same amortization and maturity as the underlying bond issue. The fixed swap rate of 4.61% was set at a rate that, when added to the assumed ongoing expenses for the variable rate bonds and the costs of issuance for the underlying variable rate bonds, would equal the average coupon on the outstanding 1997 Series B General Obligation Refunding Bonds.

Fair Value of Swap and Option: As of 6/30/2006, the swaption had a fair value of \$1,018,664. This fair value was measured by a swap pricing system in which the future net swap settlement payments were calculated and discounted to the valuation date using future spot interest rates. The future spot rates are zero-coupon bonds due on the future settlement dates implied from the current yield curve.

Associated Debt and Swap Payments: The swap is associated with a potential future refunding issue, the 2007 Series A General Obligation Refunding Bonds.

Credit Risk: The swap contract could expose the County to credit risk, depending on the fair value of the swap at that time. To mitigate credit risk, if Standard & Poor's and Moody's rates the creditworthiness of MKFP's (or the Credit Support Provider's) senior, unsecured, unenhanced debt below a rating of "A" in the case of Standard & Poor's or "A2" in the case of Moody's, treasuries or cash will be pledged.

Termination Risk: An out-of-the-ordinary event may occur that causes the contract to be terminated. At the time of termination, if the swap has a negative fair value, the County would be liable to MKFP for a payment equal to the

fair value. If either Standard & Poor's or Moody's rates the creditworthiness of either party's (or the Credit Support Provider's) long-term, unsecured, unenhanced debt rating below Baa3 by Moody's or BBB- by Standard & Poor's, an Additional Termination Event has occurred. As of 6/30/2006, MKFP has a credit guarantee from Deutsche Bank AG, rated Aa3/AA- by Moody's and Standard & Poor's, respectively.

Basis Risk: Currently, the County is not exposed to basis risk. If the option is exercised in the future, as long as there is not a direct relationship between the floating rate received from MKFP (BMA Index) and the rate at which the variable rate bonds remarket, the County is exposed to basis risk. Basis risk will exist if the County's bonds remarket higher than BMA, which is the rate received from the Counterparty. Thus, the expected cost savings may not be achieved.

Market Access Risk: The County may be exposed to market access risk if the County is not able to issue the variable rate refunding bonds in the future because of some unforeseen event. If the option is exercised and the refunding bonds are not issued, the 1997 bonds would not be refunded but the County would still have to make swap payments as required by the swap contract, if it isn't terminated. Thus, because of this, the expected cost savings may not be realized.

Swap Eight, Executed with Loop Financial Products on 6/23/2005 in Connection with the Anticipated 2008 Series A General Obligation Refunding Bonds:

Swap Objective: The County will receive a payment of \$8,571,000 on 3/1/08 from the Counterparty for entering into a swaption on the trade date of 6/23/05. This swaption gives the Counterparty the option to cause the County to enter into a swap on March 1, 2008. If the Counterparty exercises the option, the County will currently refund a portion of its 1998 Series A General Obligation Refunding Bonds with variable rate bonds and enter into a fixed payer swap in which the County will pay a fixed rate and receive a floating rate. The County entered into this swaption to take advantage of 40 year lows in interest rates to refund high coupon debt and to receive an upfront cash payment to pay for capital expenditures to reduce debt issuance in the future

Swap Terms:

Trade Date	Notification Date	Swap Effective Date	Swap Maturity Date	Original Notional Amount	Fixed Payer Rate	Floating Rate Index	Upfront Cash Payment
6/23/2005	2/28/2008	3/1/2008	3/1/2022	\$121,485,000	4.66%	BMA	\$8,571,000

On 6/23/2005, the County entered into a swaption with Loop Financial Products ("LFP"), and the County will be paid \$8,571,000 by LFP for this option. The County elected to receive the payment on the call date of 3/1/08. If the option is exercised, the County will issue variable rate refunding bonds and enter into a fixed payer swap in which the County will pay 4.66% and receive the BMA index. The potential swap will have the same amortization and maturity as the underlying bond issue. The fixed swap rate of 4.66% was set at a rate that, when added to the assumed ongoing expenses for the variable rate bonds and the costs of issuance for the underlying variable rate bonds, would equal the average coupon on the outstanding 1998 Series A General Obligation Refunding Bonds.

Fair Value of Swap and Option: As of 6/30/2006, the swaption had a fair value of \$3,863,632. This fair value was measured by a swap pricing system in which the future net swap settlement payments were calculated and discounted to the valuation date using future spot interest rates. The future spot rates are zero-coupon bonds due on the future settlement dates implied from the current yield curve.

Associated Debt and Swap Payments: The swap is associated with a potential future refunding issue, the 2008 Series A General Obligation Refunding Bonds.

Credit Risk: The swap contract could expose the County to credit risk, depending on the fair value of the swap at that time. To mitigate credit risk, if Standard & Poor's and Moody's rates the creditworthiness of LFP's (or the Credit Support Provider's) senior, unsecured, unenhanced debt below a rating of "A" in the case of Standard & Poor's or "A2" in the case of Moody's, treasuries or cash will be pledged.

Termination Risk: An out-of-the-ordinary event may occur that causes the contract to be terminated. At the time of termination, if the swap has a negative fair value, the County would be liable to MKFP for a payment equal to the fair value. If either Standard & Poor's or Moody's rates the creditworthiness of either party's (or the Credit Support Provider's) long-term, unsecured, unenhanced debt rating below Baa3 by Moody's or BBB- by Standard & Poor's, an Additional Termination Event has occurred. As of 6/30/2006, LFP has a credit guarantee from Deutsche Bank AG, rated Aa3/AA- by Moody's and Standard & Poor's, respectively.

Basis Risk: Currently, the County is not exposed to basis risk. If the option is exercised in the future, as long as there is not a direct relationship between the floating rate received from LFP (BMA Index) and the rate at which the variable rate bonds remarket, the County is exposed to basis risk. Basis risk will exist if the County's bonds remarket higher than BMA, which is the rate received from the Counterparty. Thus, the expected cost savings may not be achieved.

Market Access Risk: The County may be exposed to market access risk if the County is not able to issue the variable rate refunding bonds in the future because of some unforeseen event. If the option is exercised and the refunding bonds are not issued, the 1998 bonds would not be refunded but the County would still have to make swap payments as required by the swap contract, if it isn't terminated. Thus, because of this, the expected cost savings may not be realized.

Swap Nine, Executed with Goldman Sachs Mitsui Marines Derivative Products and Morgan Keegan Financial Products, Inc. on 2/14/06 in Connection with 2006 Series B General Obligation Variable Rate Demand Public Improvement and School Bonds:

Swap Objective: On February 14, 2006, the County entered into a swap that will produce a synthetic fixed rate in connection with its variable rate bonds. Under the terms of the swap, the County will pay a fixed rate and receive the BMA index. The County entered into this fixed payer swap in order to hedge variable rate exposure on the underlying bonds.

Swap Terms:

Executed Date	Swap Effective Date	Swap Maturity Date	Original Notional Amount	Fixed Payer Rate	Floating Rate Index
2/14/2006	2/22/2006	3/1/2031	\$159,590,000	3.503% Until 3/1/16; 4.43% thereafter	BMA

On 2/14/06, the County entered into a fixed payer swap with an effective date of 2/22/06. Under the terms of the swap, the County pays a fixed rate of 3.503% until 3/1/16 and 4.43% thereafter to the Counterparties, MKFP and Goldman. In return, the County receives the BMA index. Goldman's portion of the swap is \$119,590,000 and MKFP's portion is \$40,000,000. Also, Goldman and MKFP have the right to terminate the swap on 3/1/16.

Fair Value of Swap and Option: As of 6/30/2006, the swaps had a fair value in the County's favor of \$2,558,262. This fair value was measured by a swap pricing system in which the future net settlement swap payments were calculated and discounted to the valuation date using future spot interest rates. The future spot rates are zero-coupon bonds due on the future settlement dates implied from the current yield curve.

Associated Debt and Swap Payments: This swap is in conjunction with 2006 Series B General Obligation Variable Rate Demand Public Improvement and School Bonds. This analysis assumes both swaps stay in place until maturity in 2031. Below are the principal and interest requirements of the debt and the net swap payments as of 6/30/06 (assuming BMA equals its current level of 3.97% for the term of the SWAP). The net swap payments will fluctuate as BMA changes.

Fiscal Year Ended June 30	Variable Rate Bonds		Net Swap Payments	Total
	Principal	Interest		
2007	\$ ---	\$ 6,287,299	\$ (745,285)	\$ 5,542,013
2008	---	6,287,299	(762,643)	5,524,655
2009	---	6,287,299	(745,285)	5,542,013
2010	---	6,287,299	(745,285)	5,542,013
2011	---	6,287,299	(745,285)	5,542,013
2012	---	6,287,299	(762,643)	5,524,655
2013	---	6,287,299	(745,285)	5,542,013
2014	---	6,287,299	(745,285)	5,542,013
2015	---	6,287,299	(745,285)	5,542,013
2016	---	6,287,299	(762,643)	5,524,655
2017	7,425,000	6,287,299	734,114	14,446,413
2018	2,020,000	5,994,949	699,959	8,714,908
2019	---	5,915,414	690,667	6,606,081
2020	2,705,000	5,915,414	674,336	9,294,750
2021	8,505,000	5,808,320	678,224	14,991,544
2022	9,575,000	5,473,445	639,104	15,687,548
2023	7,130,000	5,096,443	595,056	12,821,499
2024	7,450,000	4,815,709	548,963	12,814,672
2025	23,900,000	4,520,754	527,988	28,948,742
2026	26,130,000	3,579,723	418,048	30,127,771
2027	20,110,000	2,550,888	297,850	22,958,738
2028	6,625,000	1,759,083	200,489	8,584,572
2029	12,680,000	1,496,791	174,869	14,351,660
2030	6,055,000	997,533	116,541	7,169,074
2031	19,280,000	759,125	88,688	20,127,813
Total	\$ 159,590,000	\$ 123,843,880	\$ (420,034)	\$ 283,013,846

Credit Risk: The County has credit exposure to Goldman and MKFP equivalent to the total fair value of \$2,558,262. If MKFP or Goldman fails to perform under the terms of the swap contract, the County could have a loss equal to that mark-to-market value of each swap.

Termination Risk: If the swap has an unanticipated termination, the County may owe a termination payment to Goldman equal to the fair value of the swap at that time, if swap rates have fallen and the fair value is negative to the County.

Interest Rate Risk: Currently, the County does not have interest rate risk because it is paying a fixed rate on the swap. However, if for some unforeseen reason the swap is terminated prior to maturity or the termination option is exercised in 2016, the County will have interest rate risk associated with the outstanding variable rate bonds until bond maturity.

Basis Risk: As long as there is not a direct relationship between the floating rate received from the Counterparty and the rate at which the variable rate bonds remarket, the County is exposed to basis risk. Basis risk exists if the County's bonds remarket higher than BMA, which is the rate received from the Counterparty.

Swap Ten, Executed with Morgan Keegan Financial Products, Inc. on 5/15/2006 in Connection with 2004 Series B General Obligation Public Improvement and School Bonds:

Swap Objective: On May 15, 2006, the County entered into a basis swap that potentially will produce cash flow savings in the future. Under the terms of the swap, the County will pay a floating rate of 70% of 1-month LIBOR and receive 65.3172% of 5-year LIBOR from MKFP. The intent of this Basis Swap when executed was to lower the County's net cost by layering this Basis Swap on top of the existing 70% of 1-month LIBOR fixed payer swap associated with the 2004 Series B Bonds.

Swap Terms:

Executed Date	Swap Effective Date	Swap Maturity Date	Original Notional Amount	Floating Rate Paid	Floating Rate Received
5/15/06	6/1/06	4/1/14	\$235,000,000	70% 1- month LIBOR	65.3172% of 5-year LIBOR

On 5/15/06, the County entered into a basis swap that became effective on 6/1/06. Under the terms of the swap, the County receives a floating rate of 65.3172% of 5-year LIBOR from MKFP and pays 70% of 1-month LIBOR.

Fair Value of Swap and Option: As of 6/30/2006, the swap had a negative fair value of (\$1,404,883). This fair value was measured by a swap pricing system in which the future net settlement swap payments were calculated and discounted to the valuation date using future spot interest rates. The future spot rates are zero-coupon bonds due on the future settlement dates implied from the current yield curve.

Associated Debt and Swap Payments: This swap is in conjunction with 2004 Series B General Obligation Public Improvement and School Bonds.

Fiscal Year Ended June 30	Variable Rate Bonds		Net Swap Payments	Total
	Principal	Interest		
2007	\$ ---	\$ 9,554,685	\$ 227,510	\$ 9,782,195
2008	---	9,554,685	251,883	9,806,568
2009	---	9,554,685	227,510	9,782,195
2010	---	9,554,685	130,697	9,685,382
2011	---	9,554,685	130,697	9,685,382
2012	---	9,554,685	144,700	9,699,385
2013	---	9,554,685	130,697	9,685,382
2014	---	9,554,685	130,697	9,685,382
2015	8,290,000	9,554,685	---	17,844,685
2016	9,120,000	9,221,915	---	18,341,915
2017	10,030,000	8,853,817	---	18,883,817
2018	11,030,000	8,451,201	---	19,481,201
2019	12,140,000	8,008,445	---	20,148,445
2020	13,350,000	7,521,132	---	20,871,132
2021	14,685,000	6,982,304	---	21,667,304
2022	16,155,000	6,392,831	---	22,547,831
2023	17,770,000	5,744,352	---	23,514,352
2024	19,545,000	5,031,044	---	24,576,044
2025	21,500,000	4,242,175	---	25,742,175
2026	13,775,000	3,379,142	---	17,154,142
2027	15,150,000	2,826,198	---	17,976,198
2028	16,665,000	2,218,060	---	18,883,060
2029	18,335,000	1,545,433	---	19,880,433
2030	20,165,000	809,446	---	20,974,446
Total	\$ 237,705,000	\$ 167,219,660	\$ 1,374,391	\$ 406,299,051

Credit Risk: Because the swap has a negative value on 6/30/2006, the County does not have credit risk to MKFP. However, if the fair value of the swap moves in favor of the County, credit risk would be present. To mitigate credit risk, if Standard & Poor's and Moody's rates the creditworthiness of MKFP's (or the Credit Support Provider's) senior, unsecured, unenhanced debt below a rating of "A" in the case of Standard & Poor's or "A2" in the case of Moody's, treasuries or cash will be pledged.

Termination Risk: If the swap has an unanticipated termination, the County may owe a termination payment to MKFP equal to the fair value of the swap at that time, if the fair value is negative to the County. If either Standard & Poor's or Moody's rates the creditworthiness of either party's long-term, unsecured, and unsubordinated debt, deposit or letter of credit obligations below Baa3 by Moody's or BBB- by Standard & Poor's, an Additional Termination Event has occurred. As of 6/30/2006, MKFP has a credit guarantee from Deutsche Bank AG, rated Aa3/AA- by Moody's and Standard & Poor's, respectively.

Basis Risk: The County is exposed to basis risk. The basis risk will arise from the difference between the receipt from MKFP of 65.3172% 5-year LIBOR and the payment to MKFP of 70% of 1-month LIBOR. This basis differential could cause the expected cost of funds to increase.

Claims and Judgments

The County has recognized long-term debt liabilities for claims and judgments of \$6,200,828 in accordance with its accounting policy explained in Note I (E). The liabilities are based on property damage and personal injury

lawsuits arising in the course of operations. The County believes this is a reasonable measure of the ultimate settlement of these matters.

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal and state governments. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the County expects such amounts, if any, to be immaterial.

(I) Interfund Receivables, Payables and Transfers

Interfund receivables and payables consist of the following:

Receivable Fund	Payable Fund	Amount
General Fund	Solid Waste	\$ 485
	Correction Center	3,731,680
	Grants Fund	12,214,513
Debt Service Fund	General Fund	1,378,909
Hotel/Motel Tax Fund	General Fund	1,428,180
Education Fund	General Fund	1,378,909
Car Rental Tax Fund	General Fund	379,304
Total		<u>\$ 20,511,980</u>

Due To/From Component Units

Receivable Entity	Payable Entity	Amount
Debt Service Fund	The Med (component unit)	\$ 3,439,834
Capital Projects Fund	The Med (component unit)	3,006,649
Board of Education (component unit)	Education Fund	2,222,145
Total		<u>\$ 8,668,628</u>

These balances resulted from timing differences between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, and (2) payments between funds occur.

Transfers during the year were as follows:

Transfers Out:	Transfers In:	Amounts:
General Fund	Correction Center Fund	\$ 9,868,441
	Debt Service Fund	3,115,363
	Capital Projects Fund	13,870,516
	Internal Service Funds	1,500,000
	Grants Fund	3,818,611
	Nonmajor Governmental Funds	294,482
Debt Service Fund	General Fund	318,050
	Capital Projects Fund	2,094,403
Capital Projects Fund	Debt Service Fund	1,795,388
	Nonmajor Governmental Funds	73,454
Nonmajor Governmental Funds	General Fund	2,257,037
	Debt Service Fund	6,132,316
	Capital Projects Fund	183,317
	Grants Fund	23,837
Grants Fund	General Fund	4,002,806
	Consolidated Codes Enforcement	235,386
Total transfers out by governmental fund types		49,583,407
Correction Center Fund	General Fund	3,016,941
	Grants Fund	3,110
Consolidated Codes Enforcement Fund	General Fund	1,000,000
	Grants Fund	364,658
Fire Services Fund	General Fund	661,637
	Grants Fund	3,222
Internal Service Funds	General Fund	759,510
Total transfers out by proprietary fund types and Internal Service Funds		5,809,078
Total all fund types		\$ 55,392,485

Transfers are used to (1) move revenue from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and (2) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

(J) Other Revenue

The other revenue classification is used in the combined, combining and individual fund financial statements and in the supplemental schedules and statistical section of the comprehensive annual financial report. This category is one of the revenue line items included in the legally adopted budget approved annually by the Board of Commissioners. Certain revenue accounts which are not accurately described by any of the other revenue classifications included in the budget (local taxes, local revenues, state revenue, federal revenue, patient service revenue, elected officials' fees and fines) are classified as other revenue.

Other revenue for the year ended June 30, 2006 is detailed below:

	General Fund	Debt Service Fund	Capital Projects Fund	Grants Fund	Nonmajor Governmental Funds	Total Governmental Funds
Investment income	\$ 7,561,729	\$ 1,400,879	\$ 3,238,919	\$ 180,544	\$ 619,834	\$ 13,001,905
Miscellaneous income	333,652	---	23,000	353,441	68,468	778,561
Total other revenue	<u>\$ 7,895,381</u>	<u>\$ 1,400,879</u>	<u>\$ 3,261,919</u>	<u>\$ 533,985</u>	<u>\$ 688,302</u>	<u>\$ 13,780,466</u>

(K) Risk Financing and Related Insurance Issues

Shelby County maintains a self-insured Group Hospital Insurance Fund for its active and retired employees and their dependents, funded by participation of both the County and its employees. Incurred but not reported (IBNR) claims liabilities of the Group Hospital Insurance Fund were actuarially determined. This calculation was based on prior years' claims expense and the current year's actual claims incurred. The long term liabilities for IBNR claims are presented at present value. The schedule below presents the changes in IBNR liabilities for the past two years for the Group Hospital Insurance Fund:

	2006	2005
Insurance claims liabilities at the beginning of the fiscal year	\$ 8,000,000	\$ 9,101,000
Incurred claims and claim adjustment expenses:	48,922,460	47,512,095
Payment of claims and claim adjustment expenses	<u>(51,645,460)</u>	<u>(48,613,095)</u>
Claims and claim adjustment liabilities at the end of the fiscal year	<u>\$ 5,277,000</u>	<u>\$ 8,000,000</u>

The County maintains a self-insured Tort Liability Fund funded by premiums paid by departments using county vehicles and by an operating transfer from the General Fund. Claims liabilities of the Tort Liability Fund were estimated based on prior years' claims expense, current year's actual claims, and a review of pending litigation through the County Attorney. The schedule below presents the changes in claims liabilities for the past two years for the Tort Liability Fund:

	2006	2005
Claim and claim adjustment liabilities at the beginning of the fiscal year	\$ 2,978,452	\$ 3,398,629
Incurred claims and claim adjustment expenses	1,701,956	209,987
Payment of claims and claim adjustments expense	<u>(1,479,055)</u>	<u>(630,164)</u>
Claims and claim adjustment liabilities at the end of the fiscal year	<u>\$ 3,201,353</u>	<u>\$ 2,978,452</u>

The County maintains a self-insured Employer Insurance Fund for on-the-job injuries and unemployment compensation, funded by premiums paid by County departments based on a percentage of salary costs. Claims liabilities of the Employer Insurance Fund were estimated based on prior year's claims expense and current year's actual claims incurred.

The schedule below presents the changes in claims liabilities for the past two years for the Employer Insurance Fund:

	2006	2005
Claims and claim adjustment liabilities at the beginning of the fiscal year	\$ 6,379,944	\$ 6,228,142
Incurred claims and claim adjustment expenses	2,380,587	3,655,919
Payment of claims and claim adjustments expenses	(2,990,916)	(3,504,117)
Claims and claim adjustments liabilities at the end of the fiscal year	<u>\$ 5,769,615</u>	<u>\$ 6,379,944</u>

The County's other insurance fund is the Group Life Insurance Fund, which reported expenses of \$2,733,809 for claims incurred for the year ended June 30, 2006.

(L) Contingencies and Commitments

The County has commitments at fiscal year-end for outstanding purchase orders and outstanding contracts reported as reserves for encumbrances of the governmental funds. In addition, commitments for capital projects total \$19,541,497 as of June 30, 2006. Notes payable have been authorized and are available as needed to fund these capital projects.

The Memphis and Shelby County Sports Authority, Inc. is a joint venture organization that has issued revenue bonds for construction of a sports and entertainment facility. Although the City of Memphis and Shelby County are not legally liable for the debt, they have agreed to share equally in the payment of the debt if the Authority is unable to pay. See further explanations in Note IV (M).

(M) Joint Ventures, Jointly Governed Organizations and Related Organizations

Joint Ventures:

Joint ventures are defined in generally accepted accounting principles as organizations owned, operated or governed by two or more participants where no single participant has the ability to unilaterally control the financial or operating policies of the joint venture. Participants must maintain an ongoing financial responsibility for, or financial interest in, the joint venture. The following organizations qualify as joint ventures of Shelby County. References to the appointment of members of boards or commissions include both those appointed and those serving ex officio. Appointment usually includes confirmation by the appropriate legislative body.

Memphis and Shelby County Convention Center Commission (the Convention Center)

The Convention Center operates the 300,000 square foot multi-use Memphis Cook Convention Center and the 2,100 seat Cannon Center for the Performing Arts. The Convention Center is a joint venture between the City of Memphis (City) and the County and is overseen by an eight-member board. The City and County each appoint four board members. The board is responsible for reporting the results of operations semi-annually to both the City and the County. The City and County share equally in the profits of the Convention Center and are responsible for funding any deficit from operations in the same proportion. Through the year ended June 30, 2004 this obligation was funded for both governments from the proceeds of the hotel/motel tax. During the year ended June 30, 2006 the County contributed \$1,088,020 to the operations of the Convention Center from the general fund; the City contributed a like amount. The County also contributed \$194,000 from capital improvement funds and paid \$500,000 of litigation costs from general funds and \$5,250,000 of construction settlement costs from capital improvement funds on behalf of the Convention Center. The County does not hold an equity interest in this entity. A third party under contract handles day-to-day promotion, operation, and management of the Convention Center. Financial statements for the Convention Center may be obtained from Memphis Cook Convention Center, 255 N. Main Street, Memphis, Tennessee 38103.

Memphis and Shelby County Port Commission (the Port Commission)

The Port Commission manages and develops industrial properties and has the authority for the direct development of the riverfront within Shelby County, except from the mouth of the Wolf River south to the I-55 bridge. The Port Commission is a joint venture between the City and the County and is overseen by a seven-member board. The City appoints four of the board members and the County appoints three members. Any deficits of the Port Commission are funded equally by the City and the County and excess revenues are distributed equally to the City and the County. The City and the County must approve the issuance of debt by or for the Port Commission. The County does not hold an equity interest in this entity. During the year ended June 30, 2006 no funds were exchanged between the Port Commission and the County. Financial statements for the Port Commission may be obtained from the Memphis and Shelby County Port Commission, P.O. Box 13142, Memphis, Tennessee 38113.

Memphis and Shelby County Sports Authority, Inc. (the Authority)

The Authority was chartered in 1997 under a State statute that permits sports authorities to receive certain sales taxes generated by major league sports franchises. In 2001 the City of Memphis and Shelby County entered into the "Memphis Arena Project Agreement" to bring a NBA professional team to Memphis. A major part of that agreement required the construction of a new multipurpose sports and entertainment facility. Financing for construction of this facility (now known as FedExForum) has been done through the Authority. The Authority has issued long-term debt with principal of \$220,365,305 owed as of December 31, 2005, plus \$7,529,446 accrued interest and swap liabilities. Title to the facility is held by the New Memphis Arena Public Building Authority of Memphis and Shelby County, a joint venture; see below for more information on that entity. The Authority's revenue bonds are payable from seat rental fees, certain state sales taxes generated by the professional basketball team, car rental taxes, City and County-wide hotel/motel taxes, and in lieu of tax payments by the Memphis Light Gas and Water Division.

The Sports Authority is a joint venture between the City of Memphis and the County and has a board whose members are jointly appointed by the City and the County. Although the bond indentures state that the City and County are not legally liable for the indebtedness of the Authority, under agreement the City and County have agreed to pay, in equal amounts, the debt if the Authority is unable to pay. During the year ended June 30, 2006 the County transferred to the Sports Authority for debt service purposes the amount of \$1,882,050 from car rental taxes and \$5,051,045 from hotel/motel taxes. Financial statements for the Memphis and Shelby County Sports Authority, Inc. may be obtained from the Memphis Convention & Visitor's Bureau, 47 Union Avenue, Memphis, Tennessee 38103.

Mid-South Coliseum (the Coliseum)

The Coliseum operates a multi-purpose sports and entertainment facility with a seating capacity of approximately 11,500. The Coliseum is a joint venture between the City of Memphis and the County and is overseen by a five-member board. The City appoints two board members, the County appoints two members and one is jointly appointed by the City and County. The City and County share in profits or fund any deficits from operations in a ratio of 60% and 40%, respectively. The County does not hold an equity interest in this entity. As a result of a non-compete clause in the agreement with the National Basketball Association Franchise Owners for the operation of the new arena (FedExForum), the future financial viability of this facility is questionable. The County has advised the City of Memphis that it will participate in no further operating costs of the Coliseum. The City of Memphis is exploring alternative uses of the entire Fairgrounds complex and those plans could include demolition of the Coliseum or a use other than as a revenue-producing facility. At June 30, 2006 the County is owed \$159,889, plus accrued interest of \$19,272 by the Coliseum evidenced by a note with installments due through FY 2014; no payments have been made since FY 2004. During the year the County paid the Coliseum \$5,065 for use of the facility. Financial statements for the Coliseum may be obtained from the Mid-South Coliseum, The Fairgrounds, 996 Early Maxwell Boulevard, Memphis, Tennessee 38104.

New Memphis Arena Public Building Authority of Memphis and Shelby County (New PBA)

The New PBA was created in August 2001 by Shelby County and the City of Memphis. It is a nonprofit corporation established under statutes of the State of Tennessee. In June 2001 the City of Memphis, Shelby County, and HOOPS, L.P. (the NBA franchise ownership entity) entered into the "Memphis Arena Project Agreement." Under this agreement a new arena would be constructed and leased to HOOPS, L.P. as part of the agreement to bring a professional basketball (NBA) team to Memphis. The primary purpose of the New PBA was to construct and hold title to this new multi-purpose sports and entertainment facility (now known as FedExForum). Construction of the facility is complete and the facility has been leased to and is being operated by HOOPS, L.P. as noted above.

Funding for construction of the facility was provided primarily through the Memphis and Shelby County Sports Authority, Inc., a separate joint venture as explained above. However, the New PBA holds title to the building.

The New PBA is a joint venture between the City of Memphis and the County. It is governed by a Board of Directors whose members are jointly appointed by the City of Memphis and Shelby County. The City and County maintain an ongoing financial responsibility for subsidies to finance the New PBA's capital expenditures and operations. During the year ended June 30, 2006 the County paid \$438,264 to settle certain claims related to construction of the facility. The County also paid \$118,465 for insurance on the facility. Financial statements for the New PBA may be obtained from the New Memphis Arena PBA, 195 Linden Avenue, Memphis, Tennessee 38103.

Pyramid Arena

In November 1987 the City of Memphis and the County entered into a joint venture arrangement creating the Public Building Authority of Memphis and Shelby County (PBA). The PBA is a not-for-profit corporation created for the purpose of constructing the Pyramid, a multipurpose facility with the primary use as a basketball arena. The City and the County each separately issued bonds for their share of the construction cost of the Pyramid, with the debt remaining an obligation of the issuer. The Pyramid was then leased back jointly to the City and the County for operation. The County does not hold an equity interest in the PBA. The PBA currently exists solely to hold title to the building and has no ongoing financial operations. On July 1, 1991 the City and County jointly entered into a contract with a third party (SMG) to manage, operate, market and promote the Pyramid. The term of the contract was for the three-year period July 1, 1991 to June 30, 1994, with a renewal clause for up to three additional five-year terms. The current renewal period expires June 30, 2009.

The City and County will each appropriate one-half of the necessary funds to sustain operations based upon each government's approval of an operating budget. During the year ended June 30, 2006 the County contributed \$500,000 to the operating budget of the Pyramid and paid directly \$104,620 as its 50% share of the cost of property insurance. The County also accrued \$412,500 as the County's share of the payment to be made to the facility's concessionaire upon termination of the concession agreement by the concessionaire due to limited use of the facility. Excess operating revenue net of management fees and operating expenses, as defined under the management agreement, will be paid to the City and the County upon demand. As provided for in the management agreement, cash in excess of \$500,000 will also be paid to the City and the County upon demand. No excess cash was returned in fiscal year 2006. As a result of a non-compete clause in the agreement with the National Basketball Association Franchise Owners for the operation of the new arena (FedExForum), the future financial viability of this facility is questionable. At June 30, 2006 it was expected that only previously scheduled events would be conducted in the facility and it will be closed to further use while alternative uses or tenants are sought. There will be ongoing maintenance costs even if the facility is closed. Financial statements for the Pyramid Arena Operations may be obtained from the Pyramid Arena, One Auction Street, Memphis, Tennessee 38105.

The following is a summary of the financial information of the joint ventures, as of and for the year ended June 30, 2006 (not covered by the report of independent accountants)

	Convention Center	Port Commission (b)	Sports Authority (a)(b)	Mid-South Coliseum	New Arena PBA (a)	Pyramid Arena
Assets	\$ 13,649,567	\$ 28,365,014	\$ 45,952,693	\$ 1,495,826	\$ 225,375,370	\$ 695,315
Liabilities	1,586,353	7,866,255	227,937,287	1,390,283	1,887,416	168,281
Net Assets	12,063,214	20,498,759	(181,984,594)	105,543	223,487,954	527,034
Operating Revenues	3,376,092	1,811,238	---	2,096,989	48,500	228,263
Operating Expenses	6,520,796	2,583,798	42,408	2,545,681	8,294,559	1,436,665
Other Revenue	2,999,302	113,577	14,769,727	10,847	893,689	988,076
Other Expenses	---	287,455	11,690,343	9,261	17,247	---
Change in Net Assets	(145,402)	(946,438)	3,036,976	(447,106)	(7,369,617)	(220,326)

(a) Fiscal year-end December 31, 2005.

(b) From unaudited financial statements.

Jointly Governed Organizations:

The County in conjunction with the City of Memphis has joint control of the following organizations through the appointment of their boards. They are not considered joint ventures because the County and the City do not retain an ongoing financial responsibility or financial interest. There were no financial transactions between the County and the organizations in the fiscal year ending June 30, 2006 unless noted below.

The *Depot Redevelopment Corporation of Memphis and Shelby County (Depot)* was established by the City and County to determine and establish a reuse plan and management strategy for the Memphis Depot. The United States Government closed the former military supply depot. The mayors of the City and County appoint the nine board members for six-year terms with approval of the City Council and the County Commission. The County has a note receivable from the Depot with a principal balance of \$3,255,000 as of June 30, 2006. During the year ended June 30, 2006 the Depot repaid \$160,000 of principal on this note plus \$171,219 of interest.

The *Industrial Development Board of Memphis and Shelby County* operates as a nonprofit corporation for the purpose of promoting industrial development in the City and County. The City appoints four board members, the County appoints four members and one is jointly appointed by the City and County for six-year terms, with approval by the City Council and the County Commission.

The *Memphis and Shelby County Center City Commission* is responsible for promotion and redevelopment of the Memphis Center City area. The mayors of the City and County appoint the twenty board members for three-year terms, with approval by the City Council and the County Commission.

The *Memphis and Shelby County Center City Downtown Parking Authority* manages five downtown parking garages and establishes and coordinates uniform parking policies and parking management in the downtown Memphis area. The mayors of the City and County appoint the seven-member board.

The *Memphis Center City Revenue Finance Corporation (Finance Corporation)* is a nonprofit corporation established jointly by the City and the County under the laws of the State of Tennessee. The Finance Corporation provides various forms of financial assistance to development projects. The City appoints four board members, the County appoints four members and one is jointly appointed by the City and County for six-year terms, with approval by the City Council and the County Commission.

Related Organizations:

The County appoints a voting majority of the board of the following organizations but is not financially accountable for the organizations:

- *Health, Housing and Education Facilities Board*
- *Shelby County Housing Authority*

The *Memphis and Shelby County Airport Authority* owns and operates Memphis International Airport and two general aviation airports. Six of the seven board members are appointed by the City of Memphis mayor and one by the County mayor, all for seven-year terms, subject to confirmation by the Memphis City Council. The Airport Authority is a component unit of the City of Memphis.

The Shelby County Health Care Corporation (The Med) is a component unit of the County. The Med has an investment in *Memphis Managed Care Corporation* (MMCC), a TennCare MCO, that pays The Med a fixed per diem for inpatient services and pays for outpatient services on a fee for service basis. The investment was valued at \$16,348,379 at June 30, 2006.

(N) Other Post–Employment Benefits

In addition to providing benefits, the County provides certain health care and life insurance benefits for retired employees in accordance with policy established by the County Board of Commissioners. Substantially all of the County's employees may become eligible for those benefits if they reach normal retirement age while working for the County. The cost of retiree health care and life insurance benefits is recognized as an expenditure as claims are paid. For 2006 the County provided these benefits to 1,848 retirees at a cost of \$12,782,489.

(O) Pensions**Shelby County Retirement System*****Plan Description***

The Shelby County Retirement System (the System) is a single employer defined benefit public employee retirement system (PERS) established by Shelby County, Tennessee. The System is administered by a board, the majority of whose members are nominated by the Shelby County mayor, subject to approval by the Shelby County Board of Commissioners. The System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the Shelby County Retirement System, Suite 950, 160 N. Main, Memphis, Tennessee 38103 or calling (901) 545-3370.

Substantially all full-time and permanent part-time employees of the County are required, as a condition of employment, to participate in the System. The Shelby County Board of Commissioners establishes the System's benefits and contribution provisions. Once becoming a participant, a person will continue to participate as long as he or she is an employee of the County. The System provides retirement as well as survivor and disability defined benefits.

The System consists of three plans (Plans A, B and C) which are legally one reporting entity. Plan B is a contributory defined benefit pension plan for employees hired prior to December 1, 1978. Plan A is a non-contributory defined benefit pension plan for employees hired between December 1, 1978 and February 28, 2005, and those employees that elected to transfer to Plan A from Plan B before January 1, 1981. Plan C is a contributory defined benefit pension plan that became effective September 1, 2005 and includes all employees hired after February 28, 2005, all former Plan A "public safety employees" who were required to move to Plan C to preserve

their right to retire with unreduced benefits with 25 years of service, and other former Plan A participants who elected to move to Plan C.

Funding Policy

The Board of Administration of the Shelby County, Tennessee Retirement System (the Board) establishes the System's funding policy for employee contribution requirements. The Shelby County Board of Commissioners establishes the System's funding policy for employer contribution requirements. The County does not receive the actuarial report until several months into the fiscal year to which the report relates. Due to budgetary procedures the County makes contributions based on the latest actuarial report received at the date a new fiscal year's budget is being prepared. Contributions for fiscal year 2006 were based on the actuarial report as of July 1, 2004.

In accordance with the actuarial valuation as of July 1, 2004 the employer contribution rate required was 4.27% of covered payroll of participants. Plan B participants contribute an additional 8.0% of their earnings, with some exceptions for employees of Plan B with more than 35 years of service. Plan C participants contribute 6.0% of their earnings. In addition, certain public safety employees remaining in Plan A contribute 2.65% of their compensation. This resulted in total contributions of \$25,316,075 (\$18,805,565 employer contributions and \$6,510,510 employee contributions). The actuarial required employer contribution of \$10,322,629 is significantly impacted by the amortization of the actuarial surplus that results from investment results in prior years. The County has chosen to fund a level amount that is approximately the normal cost for benefits earned.

The significant actuarial assumptions used to compute these actuarially determined contribution requirements are the same as those used to compute the net pension obligation.

Three-Year Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
June 30, 2004	17,836,152	100%	---
June 30, 2005	9,645,830	195%	---
June 30, 2006	10,322,629	182%	---

Actuarial Valuation, Method and Assumptions

Valuation date	July 1, 2004 for contribution requirement June 30, 2006 for funding progress
Actuarial cost method	Projected unit credit service pro-rate cost method
Amortization method	19-year amortization as of July 1, 2004 of excess assets over 100% of actuarial accrued liability (20 year period beginning July 1, 2003)
Remaining amortization period	17 years on June 30, 2006
Asset valuation method	Funding Progress: 10-year smoothing method Contribution: 10-year smoothing method
Rate of investment return	Funding Progress: 8.25% Contribution: 8.25%
Projected salary increases	Funding Progress: 4.00% Contribution: 4.00%
Cost-of-living adjustments	Funding Progress: 2.5% for Plan A Contribution: 2.5% for Plan A

More detailed information on all Plans is available in the System's separately issued financial report and in the Required Supplementary Information section of this Comprehensive Annual Financial Report.

Pension plans of the component units:

The primary government does not act in a trustee capacity for the assets of the pension plans of the component units.

Shelby County Board of Education (the Board of Education)

On behalf of its teachers, the Board of Education contributes to the State Employees, Teachers, and Higher Education Employees Pension Plan (SETHEEPP), a cost sharing multiple employer defined benefit pension plan administered by the Tennessee Consolidated Retirement System (TCRS). The TCRS issues a publicly available financial report that includes financial statements and required supplementary information for the SETHEEPP. That report may be obtained by writing to the Tennessee Treasury Department, Consolidated Retirement System, 10th Floor Andrew Jackson Building, Nashville, TN 37243-0203 or can be accessed at www.treasury.state.tn.us.

All non-teachers employed by the Board of Education are members of the Political Subdivision Pension Plan (PSPP), an agent multiple-employer defined benefit pension plan administered by TCRS. The TCRS issues a publicly available financial report that includes financial statements and required supplementary information for PSPP. That report may be obtained by writing to the Tennessee Treasury Department, Consolidated Retirement System, 10th floor Andrew Jackson Building, Nashville, TN 37243-0230 or can be accessed at www.treasury.state.tn.us.

Shelby County Health Care Corporation (the Med)

Effective July 1, 1985 the Med established the Regional Medical Center at Memphis Retirement Investment Plan, a defined contribution pension plan. In a defined contribution plan benefits depend solely on amounts contributed to the plan plus investment earnings. Financial statements of the Regional Medical Center at Memphis Retirement Investment Plan are available from Shelby County Health Care Corporation, 877 Jefferson Avenue, Memphis, Tennessee 38103.

More details about all plans of component units are available in the separately issued financial reports of the component units and in the separately issued financial reports of the retirement plans as noted above.

(P) Subsequent Events

In July 2006 the Shelby County Board of Commissioners approved the 2006 Series Tax Anticipation Note Program in the amount of \$50,000,000 to provide for cash flow requirements due to the timing of property tax collection. While current intentions are that the Tax Anticipation Notes will be paid off on or before June 30, 2007, similar or other financing will be required each year for the foreseeable future.

On March 28, 2005, the County authorized the issuance of \$275,000,000 of Extendible Municipal Commercial paper (EMCP). In February 2006, the County refunded and ultimately retired \$135,000,000 of \$145,000,000 issued EMCP notes leaving \$10,000,000 outstanding at June 30, 2006. In October 2006 the County issued the remaining \$130,000,000.

In November 2006, the Shelby County Board of Commissioners approved the issuance of General Obligation Variable Rate Demand Refunding Bonds in a principal amount of \$286,775,000. The bonds are being issued to refund a portion of bonds from the 1996 Series B General Obligation Refunding bonds, the 1999 Series A General Obligation Public Improvement and School Bonds, the 1999 Series B General Obligation Public Improvement and School Bonds and the 2001 Series A General Obligation Public Improvement and School Bonds, and to refinance

\$140,000,000 of the County's outstanding capital outlay Extendible Municipal Commercial Paper Notes, Series A. The bond closing is scheduled for November 30, 2006. In conjunction with the new Variable Rate Demand Refunding Bonds, the County has also entered into a swap agreement. The swap agreement will synthetically fix the variable rate of the refunding bonds.

(Q) Retroactive Reporting of Infrastructure Assets

GASB Statement No. 34 requires that the County report infrastructure assets (roads, bridges, etc) not later than the year ending June 30, 2006. The County has completed a thorough review of assets acquired or constructed during the period July 1, 1981 through June 30, 2001. (Infrastructure assets acquired subsequent to June 30, 2001 have been reported in the year acquired.) During the review of infrastructure assets, it was discovered that some assets in addition to infrastructure assets had not been previously reported. The schedule below shows the changes made to the June 30, 2005 capital asset balances as reported in Note IV (E) of the prior year's financial report.

	June 30, 2005 Balance	Retroactive Asset Adjustment	Restated June 30, 2005 Balance
Governmental Activities:			
Capital Assets not being depreciated:			
Land	\$ 10,204,433	\$ 6,740,816	\$ 16,945,249
Construction in progress	43,087,654	(3,448,773)	39,638,881
Total not being depreciated	<u>53,292,087</u>	<u>3,292,043</u>	<u>56,584,130</u>
Capital assets being depreciated:			
Land Improvements	1,233,575	11,467,345	12,700,920
Buildings	199,913,351	20,534,817	220,448,168
Equipment	56,302,759	10,499,921	66,802,680
Infrastructure	34,616,170	417,880,259	452,496,429
Total being depreciated	<u>292,065,855</u>	<u>460,382,342</u>	<u>752,448,197</u>
Less accumulated depreciation:			
Land Improvements	619,933	2,446,316	3,066,249
Buildings	71,051,437	5,914,556	76,965,993
Equipment	38,286,581	5,075,643	43,362,224
Infrastructure	5,205,729	113,548,065	118,753,794
Total accumulated depreciation	<u>115,163,680</u>	<u>126,984,580</u>	<u>242,148,260</u>
Total capital assets being depreciated, net	<u>176,902,175</u>	<u>333,397,762</u>	<u>510,299,937</u>
Governmental activities capital assets, net	<u>\$ 230,194,262</u>	<u>\$ 336,689,805</u>	<u>\$ 566,884,067</u>

General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2006

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local taxes	\$ 213,167,000	\$ 220,564,111	\$ 221,362,501	\$ 798,390
Local revenue	28,896,542	28,880,314	27,747,801	(1,132,513)
State revenue	14,195,881	15,056,355	15,056,355	---
Federal revenue	10,000	10,000	29,756	19,756
Patient service revenue	981,640	981,640	855,702	(125,938)
Elected officials' fines and fees	56,206,812	59,892,191	59,960,792	68,601
Other revenue	3,257,020	7,083,195	7,895,381	812,186
Total revenues	<u>316,714,895</u>	<u>332,467,806</u>	<u>332,908,288</u>	<u>440,482</u>
Expenditures:				
General government	32,894,353	31,071,531	31,028,561	42,970
Hospital	20,566,667	20,566,667	20,566,667	---
Planning and development	531,638	520,438	497,339	23,099
Public works	19,011,315	19,715,153	19,654,381	60,772
Health services	30,960,431	29,729,860	29,424,087	305,773
Community services	3,956,047	3,839,462	3,671,561	167,901
Law enforcement	133,724,912	128,946,572	128,625,920	320,652
Judicial	53,032,517	52,962,972	51,369,654	1,593,318
Other elected officials	19,740,537	24,858,496	24,018,686	839,810
Total expenditures	<u>314,418,417</u>	<u>312,211,151</u>	<u>308,856,856</u>	<u>3,354,295</u>
Other Financing Sources (uses):				
Transfers in	12,868,255	12,811,166	12,015,981	(795,185)
Transfers out	(15,164,733)	(33,067,821)	(32,467,413)	600,408
Total other financing sources (uses)	<u>(2,296,478)</u>	<u>(20,256,655)</u>	<u>(20,451,432)</u>	<u>(194,777)</u>
Net change in fund balance	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ 3,600,000</u>	<u>\$ 3,600,000</u>

Education Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2006

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local taxes	\$ 346,774,000	\$ 360,019,604	\$ 360,019,604	\$ ---
Total revenues	<u>346,774,000</u>	<u>360,019,604</u>	<u>360,019,604</u>	<u>---</u>
Expenditures:				
Special funded projects-city schools	247,859,280	257,530,171	257,530,171	---
Special funded projects-county schools	<u>98,914,720</u>	<u>102,489,433</u>	<u>102,489,433</u>	<u>---</u>
Total expenditures	<u>346,774,000</u>	<u>360,019,604</u>	<u>360,019,604</u>	<u>---</u>
Net change in fund balance	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>

Grants Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2006

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local revenue	\$ 12,136,272	\$ 12,297,688	\$ 6,072,062	\$ (6,225,626)
State revenue	67,969,297	80,574,321	63,446,872	(17,127,449)
Federal revenue	31,772,186	35,640,120	28,858,512	(6,781,608)
Patient service revenue	1,841,800	1,839,100	1,409,930	(429,170)
Other revenue	634,838	518,382	533,985	15,603
Total revenues	<u>114,354,393</u>	<u>130,869,611</u>	<u>100,321,361</u>	<u>(30,548,250)</u>
Expenditures:				
General government	359,688	3,092,819	1,068,252	2,024,567
Planning and development	20,791,823	20,916,201	6,065,612	14,850,589
Public works	10,180,004	16,775,385	11,288,900	5,486,485
Corrections	417,708	629,339	432,172	197,167
Health services	25,154,925	26,339,182	21,457,334	4,881,848
Community services	39,226,685	43,914,649	39,395,560	4,519,089
Law enforcement	255,610	1,528,230	733,777	794,453
Judicial	18,274,125	19,643,417	18,264,131	1,379,286
Total expenditures	<u>114,660,568</u>	<u>132,839,222</u>	<u>98,705,738</u>	<u>34,133,484</u>
Other Financing Sources (uses):				
Transfers in	4,362,188	5,980,810	4,213,438	(1,767,372)
Transfers out	(5,417,772)	(5,372,958)	(4,238,192)	1,134,766
Planned change in fund balance	1,361,759	1,361,759	---	(1,361,759)
Total other financing sources (uses)	<u>306,175</u>	<u>1,969,611</u>	<u>(24,754)</u>	<u>(1,994,365)</u>
Net change in fund balance	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ 1,590,869</u>	<u>\$ 1,590,869</u>

Shelby County Retirement System
Required Supplementary Information
For the Year Ended June 30, 2006

Schedule of Funding Progress

Actuarial Valuation Date of June 30	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability/ (Surplus)	Funded Ratio	Covered Payroll	Unfunded Actuarial Accrued Liability/ (Surplus) as a Percentage of Covered Payroll
2001	\$ 753,767,893	\$ 679,275,060	\$ (74,492,833)	111.0%	\$ 218,198,745	(34.1%)
2002	797,091,379	720,839,196	(76,252,183)	110.6%	233,148,476	(32.7%)
2003	794,201,990	769,753,615	(24,448,375)	103.2%	237,197,193	(10.3%)
2004	841,335,004	737,329,388	(104,005,616)	114.1%	246,685,081	(42.2%)
2005	885,049,492	780,800,809	(104,248,683)	113.4%	253,031,826	(41.2%)
2006	933,730,481	860,178,582	(73,551,899)	108.6%	241,403,735	(30.5%)

See Note IV (O) in the Notes to Financial Statements for more information.

Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2006

	Special Revenue Funds			
	Roads and Bridges Fund	Solid Waste Management Fund	Hotel/Motel Tax Fund	Sheriff Narcotics Fund
Assets:				
Cash and cash equivalents	\$ 10,987,062	\$ ---	\$ 3,825,223	\$ 3,400,193
Accounts receivable and accrued revenues	653	2,300	---	310,660
Due from other governmental entities	926,606	---	---	---
Due from other funds	---	---	1,428,180	---
Total Assets	<u>\$ 11,914,321</u>	<u>\$ 2,300</u>	<u>\$ 5,253,403</u>	<u>\$ 3,710,853</u>
Liabilities:				
Accounts payable and accrued liabilities	\$ 948,990	\$ 1,815	\$ 773,906	\$ 30,749
Due to other funds	---	485	---	---
Deposits held for others	---	---	---	309,673
Total Liabilities	<u>948,990</u>	<u>2,300</u>	<u>773,906</u>	<u>340,422</u>
Fund Balances:				
Reserved for encumbrances	458,981	---	---	27,946
Unreserved	<u>10,506,350</u>	<u>---</u>	<u>4,479,497</u>	<u>3,342,485</u>
Total Fund Balances	<u>10,965,331</u>	<u>---</u>	<u>4,479,497</u>	<u>3,370,431</u>
Total Liabilities and Fund Balances	<u>\$ 11,914,321</u>	<u>\$ 2,300</u>	<u>\$ 5,253,403</u>	<u>\$ 3,710,853</u>

Register Data Processing Fund	Car Rental Tax Fund	Health Services Restricted Fees Fund	Total
\$ 350,424	\$ 124,249	\$ 1,737,149	\$ 20,424,300
---	---	293,644	607,257
---	---	---	926,606
---	379,304	---	1,807,484
<u>\$ 350,424</u>	<u>\$ 503,553</u>	<u>\$ 2,030,793</u>	<u>\$ 23,765,647</u>
\$ 116,610	\$ 503,553	\$ 150,682	\$ 2,526,305
---	---	---	485
---	---	---	309,673
<u>116,610</u>	<u>503,553</u>	<u>150,682</u>	<u>2,836,463</u>
148,366	---	27,498	662,791
85,448	---	1,852,613	20,266,393
<u>233,814</u>	<u>---</u>	<u>1,880,111</u>	<u>20,929,184</u>
<u>\$ 350,424</u>	<u>\$ 503,553</u>	<u>\$ 2,030,793</u>	<u>\$ 23,765,647</u>

Nonmajor Governmental Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

For the Year Ended June 30, 2006

	Special Revenue Funds			
	Roads and Bridges Fund	Solid Waste Management Fund	Hotel/Motel Tax Fund	Sheriff Narcotics Fund
Revenues:				
Local taxes	\$ 268,558	\$ ---	\$ 12,377,312	\$ ---
Local revenue	441,381	25,200	---	243,027
State revenue	10,392,659	---	8,003,916	1,546
Elected officials' fines & fees	---	---	---	1,692,486
Other revenue	487,483	---	---	108,169
Total revenues	11,590,081	25,200	20,381,228	2,045,228
Expenditures:				
General government	---	---	10,090,279	---
Public Works	9,568,490	204,093	---	---
Health services	---	---	---	---
Law enforcement	---	---	---	874,580
Other elected officials	---	---	---	---
Total expenditures	9,568,490	204,093	10,090,279	874,580
Excess (deficiency) of revenues over (under) expenditures	2,021,591	(178,893)	10,290,949	1,170,648
Other financing sources (uses):				
Transfers in	189,043	178,893	---	---
Transfers out	(2,353,317)	---	(6,132,316)	(34,599)
Total other financing sources (uses)	(2,164,274)	178,893	(6,132,316)	(34,599)
Net change in fund balances	(142,683)	---	4,158,633	1,136,049
Fund balances:				
June 30, 2005	11,108,014	---	320,864	2,234,382
June 30, 2006	\$ 10,965,331	\$ ---	\$ 4,479,497	\$ 3,370,431

Register Data Processing Fund	Car Rental Tax Fund	Health Services Restricted Fees Fund	Total
\$ ---	\$ 1,882,050	\$ ---	\$ 14,527,920
---	---	3,462,128	4,171,736
---	---	---	18,398,121
420,487	---	---	2,112,973
38,835	---	53,815	688,302
459,322	1,882,050	3,515,943	39,899,052
---	1,882,050	---	11,972,329
---	---	---	9,772,583
---	---	2,710,082	2,710,082
---	---	---	874,580
1,127,323	---	---	1,127,323
1,127,323	1,882,050	2,710,082	26,456,897
(668,001)	---	805,861	13,442,155
---	---	---	367,936
---	---	(76,275)	(8,596,507)
---	---	(76,275)	(8,228,571)
(668,001)	---	729,586	5,213,584
901,815	---	1,150,525	15,715,600
\$ 233,814	\$ ---	\$ 1,880,111	\$ 20,929,184

**Roads and Bridges Special Revenue Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2006**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local taxes	\$ 273,000	\$ 273,000	\$ 268,558	\$ (4,442)
Local revenue	26,000	26,000	441,381	415,381
State revenue	9,705,988	10,251,652	10,392,659	141,007
Other revenue	300,000	300,000	487,483	187,483
Total revenues	10,304,988	10,850,652	11,590,081	739,429
Expenditures:				
Salaries	4,243,021	4,501,325	4,496,989	4,336
Other compensation	121,589	72,452	72,443	9
Fringe benefits	1,485,771	1,346,604	1,346,604	---
Supplies	3,080,903	3,606,287	3,131,561	474,726
Services	9,780	59,780	53,744	6,036
Professional and contracted services	107,720	1,348,675	363,031	985,644
Rent, utilities, and maintenance	280,675	216,375	90,201	126,174
Interdepartmental expenditures	(1,802,252)	(2,089,652)	(2,158,508)	68,856
Asset acquisitions	2,412,800	2,975,088	2,172,425	802,663
Total expenditures	9,940,007	12,036,934	9,568,490	2,468,444
Excess (deficiency) of revenues over expenditures	364,981	(1,186,282)	2,021,591	3,207,873
Other Financing Sources (uses):				
Transfers in	120,000	120,000	189,043	69,043
Transfers out	(2,170,000)	(2,446,287)	(2,353,317)	92,970
Planned change in fund balance	1,685,019	3,512,569	---	(3,512,569)
Total other financing sources (uses)	(364,981)	1,186,282	(2,164,274)	(3,350,556)
Net change in fund balance	\$ ---	\$ ---	\$ (142,683)	\$ (142,683)

**Solid Waste Management Special Revenue Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2006**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local revenue	\$ 61,545	\$ 21,545	\$ 25,200	\$ 3,655
Total revenues	61,545	21,545	25,200	3,655
Expenditures:				
Salaries	96,399	96,244	92,352	3,892
Other compensation	4,710	4,865	4,862	3
Fringe benefits	31,517	31,517	28,263	3,254
Supplies	1,345	1,055	539	516
Services	300	300	135	165
Professional and contracted services	25,000	25,290	15,805	9,485
Rent, utilities, and maintenance	3,576	3,576	923	2,653
Interdepartmental expenditures	63,992	63,992	61,214	2,778
Total expenditures	226,839	226,839	204,093	22,746
Excess (deficiency) of revenues over expenditures	(165,294)	(205,294)	(178,893)	26,401
Other Financing Sources (uses):				
Transfers in	165,294	205,294	178,893	(26,401)
Total other financing sources (uses)	165,294	205,294	178,893	(26,401)
Net change in fund balance	\$ ---	\$ ---	\$ ---	\$ ---

**Hotel Motel Tax Special Revenue Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2006**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local taxes	\$ 11,100,000	\$ 11,100,000	\$ 12,377,312	\$ 1,277,312
State revenue	4,000,000	5,051,045	8,003,916	2,952,871
Total revenues	15,100,000	16,151,045	20,381,228	4,230,183
Expenditures:				
Intergovernmental expenditures	395,799	395,800	395,800	---
Special funded projects	8,643,434	9,694,479	9,694,479	---
Total expenditures	9,039,233	10,090,279	10,090,279	---
Excess (deficiency) of revenues over expenditures	6,060,767	6,060,766	10,290,949	4,230,183
Other Financing Sources (uses):				
Transfers out	(6,132,316)	(6,132,316)	(6,132,316)	---
Planned change in fund balance	71,549	71,550	---	(71,550)
Total other financing sources (uses)	(6,060,767)	(6,060,766)	(6,132,316)	(71,550)
Net change in fund balance	\$ ---	\$ ---	\$ 4,158,633	\$ 4,158,633

**Sheriff Narcotics Special Revenue Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2006**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local revenue	\$ 315,000	\$ 315,000	\$ 243,027	\$ (71,973)
State revenue	---	---	1,546	1,546
Elected officials' fines and fees	770,000	770,000	1,692,486	922,486
Other revenue	15,000	15,000	108,169	93,169
Total revenues	1,100,000	1,100,000	2,045,228	945,228
Expenditures:				
Supplies	484,842	449,827	255,518	194,309
Services	62,800	63,000	20,176	42,824
Professional and contracted services	36,500	156,791	153,882	2,909
Rent, utilities, and maintenance	446,921	385,026	188,090	196,936
Interdepartmental expenditures	126,000	126,000	125,478	522
Asset acquisitions	430,249	407,054	116,936	290,118
Grants	---	16,500	14,500	2,000
Total expenditures	1,587,312	1,604,198	874,580	729,618
Excess (deficiency) of revenues over expenditures	(487,312)	(504,198)	1,170,648	1,674,846
Other Financing Sources (uses):				
Transfers out	(75,848)	(42,272)	(34,599)	7,673
Planned change in fund balance	563,160	546,470	---	(546,470)
Total other financing sources (uses)	487,312	504,198	(34,599)	(538,797)
Net change in fund balance	\$ ---	\$ ---	\$ 1,136,049	\$ 1,136,049

**Register Data Processing Fees Special Revenue Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2006**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Elected officials' fines and fees	\$ 407,676	\$ 407,676	\$ 420,487	\$ 12,811
Other revenue	16,000	16,000	38,835	22,835
Total revenues	<u>423,676</u>	<u>423,676</u>	<u>459,322</u>	<u>35,646</u>
Expenditures:				
Salaries	---	110,362	110,121	241
Fringe benefits	---	34,562	34,562	---
Supplies	85,853	126,984	116,282	10,702
Services	3,000	3,000	---	3,000
Professional and contracted services	751,237	605,832	481,824	124,008
Rent, utilities, and maintenance	70,375	70,375	36,051	34,324
Asset acquisitions	222,600	348,483	348,483	---
Contingencies and restrictions	17,831	17,831	---	17,831
Total expenditures	<u>1,150,896</u>	<u>1,317,429</u>	<u>1,127,323</u>	<u>190,106</u>
Excess (deficiency) of revenues over expenditures	<u>(727,220)</u>	<u>(893,753)</u>	<u>(668,001)</u>	<u>225,752</u>
Other Financing Sources (uses):				
Planned change in fund balance	727,220	893,753	---	(893,753)
Total other financing sources (uses)	<u>727,220</u>	<u>893,753</u>	<u>---</u>	<u>(893,753)</u>
Net change in fund balance	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ (668,001)</u>	<u>\$ (668,001)</u>

**Car Rental Tax Special Revenue Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2006**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local taxes	\$ 2,000,000	\$ 2,000,000	\$ 1,882,050	\$ (117,950)
Total revenues	<u>2,000,000</u>	<u>2,000,000</u>	<u>1,882,050</u>	<u>(117,950)</u>
Expenditures:				
Special funded projects	2,000,000	2,000,000	1,882,050	117,950
Total expenditures	<u>2,000,000</u>	<u>2,000,000</u>	<u>1,882,050</u>	<u>117,950</u>
Net change in fund balance	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>

Health Services Restricted Fees Special Revenue Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2006

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local revenue	\$ 863,982	\$ 3,208,406	\$ 3,462,128	\$ 253,722
Other revenue	---	---	53,815	53,815
Total revenues	<u>863,982</u>	<u>3,208,406</u>	<u>3,515,943</u>	<u>307,537</u>
Expenditures:				
Salaries	653,047	1,873,477	1,736,212	137,265
Other Compensation	---	71,750	20,845	50,905
Fringe benefits	177,242	568,756	465,187	103,569
Supplies	21,844	251,359	203,724	47,635
Services	28,250	58,250	13,428	44,822
Professional and contracted services	37,150	55,850	5,997	49,853
Rent, utilities, and maintenance	25,800	99,300	63,863	35,437
Interdepartmental expenditures	1,500	160,500	138,554	21,946
Asset acquisitions	68,250	178,175	62,272	115,903
Total expenditures	<u>1,013,083</u>	<u>3,317,417</u>	<u>2,710,082</u>	<u>607,335</u>
Excess (deficiency) of revenues over expenditures	<u>(149,101)</u>	<u>(109,011)</u>	<u>805,861</u>	<u>914,872</u>
Other Financing Sources (uses):				
Transfers out	(163,266)	(163,266)	(76,275)	86,991
Planned change in fund balance	312,367	272,277	---	(272,277)
Total other financing sources (uses)	<u>149,101</u>	<u>109,011</u>	<u>(76,275)</u>	<u>(185,286)</u>
Net change in fund balance	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ 729,586</u>	<u>\$ 729,586</u>

Internal Service Funds
Combining Statement of Net Assets
June 30, 2006

	Central Services Fund	Group Hospital Insurance Fund	Group Life Insurance Fund
Assets:			
Current Assets:			
Cash and cash equivalents	\$ 592,648	\$ 28,135,404	\$ 1,203,376
Accounts receivable and accrued revenues	12,080	66,651	---
Due from other governmental entities	40,327	---	---
Deposits held by others	---	511,525	---
Inventories	259,812	---	---
Total Current Assets	<u>904,867</u>	<u>28,713,580</u>	<u>1,203,376</u>
Noncurrent Assets:			
Depreciable capital assets, net	<u>353,169</u>	<u>---</u>	<u>---</u>
Total Assets	<u><u>\$ 1,258,036</u></u>	<u><u>\$ 28,713,580</u></u>	<u><u>\$ 1,203,376</u></u>
Liabilities:			
Current Liabilities:			
Accounts payable and accrued liabilities	\$ 514,656	\$ 656,578	\$ ---
Deferred revenue	---	3,221,011	224,867
Sick and annual leave payable	43,430	---	---
Claims payable	---	5,277,000	---
Total Current Liabilities	<u>558,086</u>	<u>9,154,589</u>	<u>224,867</u>
Noncurrent Liabilities:			
Long term claims payable	---	---	---
Sick and annual leave payable	<u>39,986</u>	<u>---</u>	<u>---</u>
Total Noncurrent Liabilities:	<u>39,986</u>	<u>---</u>	<u>---</u>
Total Liabilities	<u>598,072</u>	<u>9,154,589</u>	<u>224,867</u>
Net Assets:			
Invested in capital assets, net of related debt	353,169	---	---
Unrestricted	<u>306,795</u>	<u>19,558,991</u>	<u>978,509</u>
Total Net Assets	<u>659,964</u>	<u>19,558,991</u>	<u>978,509</u>
Total Liabilities and Net Assets	<u><u>\$ 1,258,036</u></u>	<u><u>\$ 28,713,580</u></u>	<u><u>\$ 1,203,376</u></u>

<u>Tort Liability Fund</u>	<u>Employer Insurance Fund</u>	<u>Total</u>
\$ 3,560,247	\$ 4,810,600	\$ 38,302,275
---	---	78,731
---	---	40,327
---	---	511,525
---	---	259,812
<u>3,560,247</u>	<u>4,810,600</u>	<u>39,192,670</u>
---	---	353,169
<u>\$ 3,560,247</u>	<u>\$ 4,810,600</u>	<u>\$ 39,545,839</u>
\$ 11,600	\$ 40,725	\$ 1,223,559
---	---	3,445,878
---	---	43,430
<u>718,733</u>	<u>1,999,082</u>	<u>7,994,815</u>
<u>730,333</u>	<u>2,039,807</u>	<u>12,707,682</u>
2,471,020	3,729,808	6,200,828
---	---	39,986
<u>2,471,020</u>	<u>3,729,808</u>	<u>6,240,814</u>
3,201,353	5,769,615	18,948,496
---	---	353,169
<u>358,894</u>	<u>(959,015)</u>	<u>20,244,174</u>
358,894	(959,015)	20,597,343
<u>\$ 3,560,247</u>	<u>\$ 4,810,600</u>	<u>\$ 39,545,839</u>

Internal Service Funds

Combining Statement of Revenues, Expenses and Changes in Fund Net Assets

For the Year Ended June 30, 2006

	Central Services Fund	Group Hospital Insurance Fund	Group Life Insurance Fund
Operating revenues:			
Premium revenue	\$ ---	\$ 59,028,019	\$ 2,996,550
Charges for services	5,905,277	---	---
Total operating revenues	<u>5,905,277</u>	<u>59,028,019</u>	<u>2,996,550</u>
Operating expenses:			
Salaries and wages	743,415	---	---
Fringe benefits	218,605	---	---
Supplies	1,249,186	---	---
Services	344,209	4,130,743	---
Professional and contracted services	469,559	---	---
Rent, utilities, and maintenance	3,174,527	---	---
Depreciation	72,374	---	---
Other expenses	30	---	---
Claims incurred	---	44,791,717	2,733,809
Total operating expenses	<u>6,271,905</u>	<u>48,922,460</u>	<u>2,733,809</u>
Operating income (loss)	(366,628)	10,105,559	262,741
Nonoperating revenues:			
Interest Income	---	1,013,207	53,505
Income (loss) before transfers	<u>(366,628)</u>	<u>11,118,766</u>	<u>316,246</u>
Other financing sources (uses):			
Transfers in	---	---	---
Transfers out	---	(759,510)	---
Net transfers	<u>---</u>	<u>(759,510)</u>	<u>---</u>
Change in net assets	(366,628)	10,359,256	316,246
Net assets:			
June 30, 2005	<u>1,026,592</u>	<u>9,199,735</u>	<u>662,263</u>
June 30, 2006	<u>\$ 659,964</u>	<u>\$ 19,558,991</u>	<u>\$ 978,509</u>

Tort Liability Fund	Employer Insurance Fund	Total
\$ 474,350	\$ 4,516,822	\$ 67,015,741
---	18,777	5,924,054
474,350	4,535,599	72,939,795
---	---	743,415
---	---	218,605
---	---	1,249,186
---	4,071	4,479,023
---	---	469,559
---	---	3,174,527
---	---	72,374
---	---	30
1,701,956	2,376,516	51,603,998
1,701,956	2,380,587	62,010,717
(1,227,606)	2,155,012	10,929,078
---	---	1,066,712
(1,227,606)	2,155,012	11,995,790
1,500,000	---	1,500,000
---	---	(759,510)
1,500,000	---	740,490
272,394	2,155,012	12,736,280
86,500	(3,114,027)	7,861,063
\$ 358,894	\$ (959,015)	\$ 20,597,343

Internal Service Funds
Combining Statement of Cash Flows
For the Year Ended June 30, 2006

	Central Services Fund	Group Hospital Insurance Fund	Group Life Insurance Fund
Cash flows from operations:			
Receipts from customers	\$ 6,119,221	\$ ---	\$ ---
Premiums received	---	59,045,888	3,043,154
Payments to suppliers	(4,914,775)	(4,281,972)	---
Cash payments to employees	(949,806)	---	---
Claims paid	---	(47,514,717)	(3,306,635)
Net cash provided by (used in) operating activities	<u>254,640</u>	<u>7,249,199</u>	<u>(263,481)</u>
Cash flows from noncapital financing activities:			
Transfers from other funds	---	---	---
Transfers to other funds	---	(759,510)	---
Net cash provided by (used in) noncapital financing activities	<u>---</u>	<u>(759,510)</u>	<u>---</u>
Cash flows from capital and related financing activities:			
Acquisition of capital assets	(15,395)	---	---
Net cash used in capital and related financing activities	<u>(15,395)</u>	<u>---</u>	<u>---</u>
Cash flow from investing activities:			
Interest and investment earnings	---	1,013,207	53,505
Net cash provided by (used in) investing activities	<u>---</u>	<u>1,013,207</u>	<u>53,505</u>
Net increase (decrease) in cash and cash equivalents	239,245	7,502,896	(209,976)
Cash and cash equivalents, June 30, 2005	<u>353,403</u>	<u>20,632,508</u>	<u>1,413,352</u>
Cash and cash equivalents, June 30, 2006	<u>\$ 592,648</u>	<u>\$ 28,135,404</u>	<u>\$ 1,203,376</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating Income (loss)	<u>\$ (366,628)</u>	<u>\$ 10,105,559</u>	<u>\$ 262,741</u>
Adjustments:			
Depreciation	72,374	---	---
Changes in assets and liabilities:			
Accounts receivable and accrued revenues	213,944	18,297	65
Inventories	(44,289)	---	---
Accounts payable and accrued liabilities	367,025	98,771	(572,826)
Sick and annual leave	12,214	---	---
Deferred revenue	---	(428)	46,539
Insurance claims payable	---	(2,723,000)	---
Deposits	---	(250,000)	---
Total adjustments	<u>621,268</u>	<u>(2,856,360)</u>	<u>(526,222)</u>
Net cash provided by (used in) operating activities	<u>\$ 254,640</u>	<u>\$ 7,249,199</u>	<u>\$ (263,481)</u>

Tort Liability Fund	Employer Insurance Fund	Total
\$ ---	\$ ---	\$ 6,119,221
474,350	4,570,903	67,134,295
---	---	(9,196,747)
---	---	(949,806)
(1,488,282)	(2,990,916)	(55,300,550)
(1,013,932)	1,579,987	7,806,413
1,500,000	---	1,500,000
---	---	(759,510)
1,500,000	---	740,490
---	---	(15,395)
---	---	(15,395)
---	---	1,066,712
---	---	1,066,712
486,068	1,579,987	9,598,220
3,074,179	3,230,613	28,704,055
\$ 3,560,247	\$ 4,810,600	\$ 38,302,275
\$ (1,227,606)	\$ 2,155,012	\$ 10,929,078
---	---	72,374
---	35,304	267,610
---	---	(44,289)
2,373	(1,670,316)	(1,774,973)
---	---	12,214
---	---	46,111
211,301	1,059,987	(1,451,712)
---	---	(250,000)
213,674	(575,025)	(3,122,665)
\$ (1,013,932)	\$ 1,579,987	\$ 7,806,413

Nonmajor Component Units
Combining Statement of Net Assets
June 30, 2006

	Agricenter International	Emergency Communications District	Total
Assets:			
Cash and cash equivalents	\$ 155,049	\$ 1,256,567	\$ 1,411,616
Investments	302,650	7,755,562	8,058,212
Accounts receivable	57,324	714,373	771,697
Inventories	1,405	---	1,405
Other assets	74,818	305,477	380,295
Capital assets, net	1,932,363	4,273,067	6,205,430
Total Assets	<u>\$ 2,523,609</u>	<u>\$ 14,305,046</u>	<u>\$ 16,828,655</u>
Liabilities:			
Accounts payable and accrued expenses	\$ 270,052	\$ 41,568	\$ 311,620
Deferred revenue	136,137	---	136,137
Long-term liabilities			
Due within one year	187,872	---	187,872
Due in more than one year	12,634	---	12,634
Total Liabilities	<u>606,695</u>	<u>41,568</u>	<u>648,263</u>
Net Assets:			
Invested in capital assets, net of related debt	1,899,739	4,273,067	6,172,806
Unrestricted	17,175	9,990,411	10,007,586
Total Net Assets	<u>1,916,914</u>	<u>14,263,478</u>	<u>16,180,392</u>
Total Liabilities and Net Assets	<u>\$ 2,523,609</u>	<u>\$ 14,305,046</u>	<u>\$ 16,828,655</u>

Nonmajor Component Units
Combining Statement of Activities
For the Year Ended June 30, 2006

		Program Revenues	Net (Expenses) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Agricenter International	Emergency Communications District	Total Nonmajor Component Units
Agricenter International	\$ 2,982,922	\$ 2,753,917	\$ (229,005)	\$ ---	\$ (229,005)
Emergency Communications District	3,376,419	6,339,483	---	2,963,064	2,963,064
Total nonmajor component units	<u>\$ 6,359,341</u>	<u>\$ 9,093,400</u>	<u>(229,005)</u>	<u>2,963,064</u>	<u>2,734,059</u>
General revenues:					
Unrestricted investment earnings			18,876	222,191	241,067
Total general revenues			18,876	222,191	241,067
Changes in net assets			(210,129)	3,185,255	2,975,126
Net assets - June 30, 2005			2,127,043	11,078,223	13,205,266
Net assets - June 30, 2006			<u>\$ 1,916,914</u>	<u>\$ 14,263,478</u>	<u>\$ 16,180,392</u>

**Constitutional Officers
General and Agency Funds
Combined Schedule of Assets and Liabilities
June 30, 2006**

	Sheriff	Chancery Court Clerk	Circuit Court Clerk	Criminal Court Clerk	General Sessions Court Clerk
Assets:					
Cash and cash equivalents	\$ 13,988	\$ 10,533,177	\$ 20,072,354	\$ 2,407,241	\$ 5,618,918
Investments	---	---	1,000,000	---	1,800,000
Accounts receivable	---	---	---	1,486,595	---
Total Assets	<u>\$ 13,988</u>	<u>\$ 10,533,177</u>	<u>\$ 21,072,354</u>	<u>\$ 3,893,836</u>	<u>\$ 7,418,918</u>
Liabilities:					
Funds held for others	\$ 13,988	\$ 9,769,989	\$ 20,730,438	\$ 1,986,591	\$ 5,329,961
Due to other governmental entities	---	---	36,376	116,009	273,192
Due to other funds and departments	---	763,188	305,540	1,791,236	1,815,765
Accounts payable and accrued expenses	---	---	---	---	---
Total Liabilities	<u>\$ 13,988</u>	<u>\$ 10,533,177</u>	<u>\$ 21,072,354</u>	<u>\$ 3,893,836</u>	<u>\$ 7,418,918</u>

Eliminations represent cash and investments held by the Trustee for component units of Shelby County and cash and equivalents held by the Trustee for funds and departments reported within Shelby County's governmental funds.

**General and Agency Funds
Combined Schedule of Cash Receipts, Disbursement and Balance
For the Year Ended June 30, 2006**

	Sheriff	Chancery Court Clerk	Circuit Court Clerk	Criminal Court Clerk	General Sessions Court Clerk
Receipts:					
Fund accounts	\$ 1,730	\$ 7,426,254	\$ 19,419,456	\$ 2,812,249	\$ 12,425,903
Fee & commission	---	3,941,008	2,112,976	5,770,794	7,896,702
Interest	---	197,247	233,890	56,473	283,616
Total receipts	<u>1,730</u>	<u>11,564,509</u>	<u>21,766,322</u>	<u>8,639,516</u>	<u>20,606,221</u>
Disbursements	<u>3,629</u>	<u>10,035,567</u>	<u>15,918,556</u>	<u>8,944,226</u>	<u>20,290,966</u>
Excess of receipts over (under) disbursements	(1,899)	1,528,942	5,847,766	(304,710)	315,255
Balance - July 1, 2005	<u>15,887</u>	<u>9,004,235</u>	<u>15,224,588</u>	<u>2,711,951</u>	<u>7,103,663</u>
Balance - June 30, 2006	<u>\$ 13,988</u>	<u>\$ 10,533,177</u>	<u>\$ 21,072,354</u>	<u>\$ 2,407,241</u>	<u>\$ 7,418,918</u>

**General Fund
Combined Schedule of Changes in Fee and Commission Accounts
For the Year Ended June 30, 2006**

	Sheriff	Chancery Court Clerk	Circuit Court Clerk	Criminal Court Clerk	General Sessions Court Clerk
Revenues:					
Fees and commission	\$ ---	\$ 3,941,008	\$ 2,112,976	\$ 5,770,794	\$ 7,896,702
Interest	---	197,247	233,890	56,473	283,616
Other	---	---	---	---	---
Total revenues	<u>---</u>	<u>4,138,255</u>	<u>2,346,866</u>	<u>5,827,267</u>	<u>8,180,318</u>
Expenditures and other uses:					
Other uses:					
Transfers	---	4,138,255	2,346,866	5,827,267	8,180,318
Total expenditures and other uses	<u>---</u>	<u>4,138,255</u>	<u>2,346,866</u>	<u>5,827,267</u>	<u>8,180,318</u>
Excess of revenues and other uses over (under) expenditures and other uses	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>
Excess fees - June 30, 2005	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>
Excess fees - June 30, 2006	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>

Probate Court Clerk	Juvenile Court Clerk	County Clerk	Register	Trustee	Elimination of General Funds	Total
\$ 8,199,883	\$ 6,795,627	\$ 13,428,838	\$ 3,661,969	\$ 357,586,007	\$ (353,310,248)	\$ 75,007,754
---	---	1,000,000	---	800,000	---	4,600,000
---	---	712,695	---	1,041,592	(2,528,187)	712,695
<u>\$ 8,199,883</u>	<u>\$ 6,795,627</u>	<u>\$ 15,141,533</u>	<u>\$ 3,661,969</u>	<u>\$ 359,427,599</u>	<u>\$ (355,838,435)</u>	<u>\$ 80,320,449</u>
\$ 8,064,681	\$ 6,614,050	\$ (1,107)	\$ ---	\$ 9,029,477	\$ ---	\$ 61,538,068
2,604	---	6,915,144	3,020,065	8,342,676	---	18,706,066
56,283	181,577	8,227,496	641,904	342,055,446	(355,838,435)	---
76,315	---	---	---	---	---	76,315
<u>\$ 8,199,883</u>	<u>\$ 6,795,627</u>	<u>\$ 15,141,533</u>	<u>\$ 3,661,969</u>	<u>\$ 359,427,599</u>	<u>\$ (355,838,435)</u>	<u>\$ 80,320,449</u>

Probate Court Clerk	Juvenile Court Clerk	County Clerk	Register	Trustee	Total
\$ 5,343,759	\$ 7,710,902	\$ 135,806,857	\$ 33,239,472	\$ 3,006,810,374	\$ 3,230,996,956
574,197	1,271,562	8,693,433	6,846,598	19,496,045	56,603,315
---	5,601	684,173	38,835	1,405,602	2,905,437
<u>5,917,956</u>	<u>8,988,065</u>	<u>145,184,463</u>	<u>40,124,905</u>	<u>3,027,712,021</u>	<u>3,290,505,708</u>
<u>1,459,203</u>	<u>8,672,960</u>	<u>145,306,129</u>	<u>39,990,210</u>	<u>2,919,795,982</u>	<u>3,170,417,428</u>
4,458,753	315,105	(121,666)	134,695	107,916,039	120,088,280
<u>3,741,130</u>	<u>6,480,522</u>	<u>14,550,504</u>	<u>3,527,274</u>	<u>250,469,968</u>	<u>312,829,722</u>
<u>\$ 8,199,883</u>	<u>\$ 6,795,627</u>	<u>\$ 14,428,838</u>	<u>\$ 3,661,969</u>	<u>\$ 358,386,007</u>	<u>\$ 432,918,002</u>

Probate Court Clerk	Juvenile Court Clerk	County Clerk	Register	Trustee	Total
\$ 574,197	\$ 1,271,562	\$ 8,693,433	\$ 6,846,598	\$ 19,496,045	\$ 56,603,315
---	5,601	684,173	38,835	1,305,774	2,805,609
---	---	---	---	99,828	99,828
<u>574,197</u>	<u>1,277,163</u>	<u>9,377,606</u>	<u>6,885,433</u>	<u>20,901,647</u>	<u>59,508,752</u>
<u>574,197</u>	<u>1,277,163</u>	<u>9,377,606</u>	<u>6,885,433</u>	<u>20,901,647</u>	<u>59,508,752</u>
---	---	---	---	---	---
---	---	---	---	---	---
<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>

Schedule of General Obligation Bonds-Except for School Purposes

June 30, 2006

	General Obligation		General Obligation		General Obligation		General Obligation		General Obligation		General Obligation	
Date of Issuance	04/01/92	s	05/15/93		09/01/96		11/01/96	s	11/01/96		05/01/97	
	04/30/92	c					11/14/96	c				
Principal	\$ 51,129,321		\$ 43,028,564		\$ 70,000,000		\$ 43,640,742		\$ 19,045,000		\$ 10,770,000	
Interest Rate %	3.15-6.50		3.40-5.50		5.25-5.70		5.00-6.00		4.05-5.20		5.25-5.60	
Fiscal Year												
2007	\$ 1,175,207		\$ 1,617,657		\$ 2,250,000		\$ 1,126,899		\$ 2,150,000		\$ 1,005,000	
2008	1,094,491		1,718,237		---		1,186,816		2,265,000		1,065,000	
2009	1,026,675		1,824,404		---		1,249,037		1,900,000		1,125,000	
2010	---		1,936,160		---		12,246,095		---		1,195,000	
2011	---		---		---		8,459,807		---		---	
2012	---		---		---		6,227,582		---		---	
2013	---		---		---		5,548,176		---		---	
2014	---		---		---		928,841		---		---	
2015	---		---		---		871,662		---		---	
2016	---		---		---		817,210		---		---	
2017	---		---		---		772,912		---		---	
2018	---		---		---		---		---		---	
2019	---		---		---		---		---		---	
2020	---		---		---		---		---		---	
2021	---		---		---		---		---		---	
2022	---		---		---		---		---		---	
2023	---		---		---		---		---		---	
2024	---		---		---		---		---		---	
2025	---		---		---		---		---		---	
2026	---		---		---		---		---		---	
2027	---		---		---		---		---		---	
2028	---		---		---		---		---		---	
2029	---		---		---		---		---		---	
2030	---		---		---		---		---		---	
2031	---		---		---		---		---		---	
TOTAL	<u>\$ 3,296,373</u>		<u>\$ 7,096,458</u>		<u>\$ 2,250,000</u>		<u>\$ 39,435,037</u>		<u>\$ 6,315,000</u>		<u>\$ 4,390,000</u>	

(s) Serial Bonds

(c) Capital Appreciation Bonds

Note: Certain bonds are treated as defeased and not included above. The specific series and maturities are shown following these schedules of general obligation bonds.

<u>General Obligation</u>	<u>General Obligation</u>	<u>General Obligation</u>	<u>General Obligation</u>	<u>General Obligation</u>	<u>General Obligation</u>
11/01/97	2/15/98	1/28/99	2/1/99	2/15/99	5/1/99
\$ 34,019,243	\$ 74,569,175	\$ 62,294,624	\$ 34,913,216	\$ 36,010,135	\$ 32,436,299
4.50-5.75	5.00-5.10	(Variable)	3.55-5.25	4.00-5.00	4.75-5.00
\$ 1,259,630	\$ 327,319	\$ 97,184	\$ 1,183,596	\$ 1,135,704	\$ 1,016,546
1,323,945	342,197	10,512,015	2,145,986	1,163,404	1,016,546
7,592,292	371,953	404,931	3,223,289	1,218,804	1,016,546
2,800,050	386,831	437,326	8,003,639	---	---
1,846,307	401,709	6,252,139	5,271,600	---	---
1,954,544	416,588	8,633,134	3,786,359	---	---
938,662	5,147,832	6,025,377	1,924,780	---	---
888,604	6,695,157	9,475,391	---	---	---
839,725	6,977,842	8,260,598	---	---	---
2,094,155	7,959,798	2,656,349	---	---	---
790,142	7,903,261	2,753,533	---	---	---
2,229,059	7,885,408	2,915,505	---	---	---
2,362,395	8,284,142	3,028,886	---	1,939,007	---
1,027,469	8,748,339	340,142	---	2,077,508	---
---	7,736,626	---	---	2,077,508	1,863,668
---	2,975,626	---	---	2,216,008	2,041,564
---	---	---	---	2,326,809	2,151,690
---	---	---	---	2,493,009	2,244,873
---	---	---	---	---	---
---	---	---	---	---	---
---	---	---	---	---	---
---	---	---	---	---	---
---	---	---	---	---	---
---	---	---	---	---	---
---	---	---	---	---	---
<u>\$ 27,946,979</u>	<u>\$ 72,560,628</u>	<u>\$ 61,792,509</u>	<u>\$ 25,539,249</u>	<u>\$ 16,647,761</u>	<u>\$ 11,351,433</u>

Schedule of General Obligation Bonds-Except for School Purposes
(continued)
June 30, 2006

	General Obligation	General Obligation	General Obligation	General Obligation	General Obligation	General Obligation
Date of Issuance	12/1/99	10/1/00	10/1/00	12/1/00	12/1/2001	6/10/2003
Principal	\$ 10,006,639	\$ 6,037,543	\$ 4,879,089	\$ 16,284,078	\$ 100,033,534	\$ 57,220,000
Interest Rate %	(Variable)	4.75-5.625	5.00	(Variable)	4.50 - 5.00	4.00-5.00
Fiscal Year						
2007	\$ 1,386,462	\$ 137,857	\$ 1,215,875	\$ 821,674	\$ 3,392,579	\$ 1,035,000
2008	1,507,024	137,857	802,789	821,674	3,535,258	1,180,000
2009	---	148,926	841,760	896,371	3,677,936	1,340,000
2010	---	148,926	---	896,371	3,804,762	1,270,000
2011	---	---	---	7,320,365	3,963,293	865,000
2012	---	---	---	---	---	---
2013	---	---	---	---	---	---
2014	---	---	---	---	---	---
2015	---	---	---	---	---	---
2016	---	---	---	---	---	---
2017	---	---	---	---	---	3,725,000
2018	---	---	---	---	---	4,095,000
2019	---	---	---	---	---	4,505,000
2020	---	---	---	---	---	4,955,000
2021	---	---	---	---	6,151,032	5,450,000
2022	---	---	---	---	6,436,389	5,995,000
2023	---	---	---	---	6,753,453	6,595,000
2024	---	---	---	---	7,070,516	---
2025	---	---	---	---	---	---
2026	---	---	---	---	---	---
2027	---	---	---	---	---	---
2028	---	---	---	---	---	---
2029	---	---	---	---	---	---
2030	---	---	---	---	---	---
2031	---	---	---	---	---	---
TOTAL	<u>\$ 2,893,486</u>	<u>\$ 573,566</u>	<u>\$ 2,860,424</u>	<u>\$ 10,756,455</u>	<u>\$ 44,785,218</u>	<u>\$ 41,010,000</u>

General Obligation	General Obligation	General Obligation	General Obligation	Combined Total
3/31/2004	4/15/2004	3/10/2005	2/22/2006	
\$ 18,881,170	\$ 60,754,734	\$ 165,792,000	\$ 43,943,373	
3.00-5.00	(Variable)	3.00-5.00	5.00	
\$ 1,528,608	\$ ---	\$ 21,386,000	\$ 9,490,000	\$ 54,740,803
1,680,875	---	5,917,000	9,725,000	49,143,122
1,850,940	---	5,173,000	9,775,000	44,658,873
2,036,825	---	3,844,000	10,700,000	49,707,995
2,240,508	---	7,496,000	4,253,373	48,372,111
2,461,987	---	14,177,000	---	37,659,206
2,709,175	---	14,497,000	---	36,793,015
2,980,092	---	22,050,000	---	43,020,099
---	3,278,695	19,196,000	---	39,426,537
---	3,606,960	12,073,000	---	29,209,488
---	3,966,865	9,076,000	---	28,989,730
---	4,362,365	9,405,000	---	30,894,355
---	4,801,370	7,901,000	---	32,823,819
---	5,279,925	8,134,000	---	30,564,403
---	5,807,918	---	---	29,088,773
---	6,389,303	---	---	26,055,912
---	7,028,035	---	---	24,857,010
---	7,730,048	---	---	19,540,470
---	8,503,250	---	---	8,505,275
---	---	---	---	2,026
---	---	---	---	2,027
---	---	---	---	2,028
---	---	---	---	2,029
---	---	---	---	2,030
---	---	---	---	2,031
<u>\$ 17,489,009</u>	<u>\$ 60,754,734</u>	<u>\$ 160,325,000</u>	<u>\$ 43,943,373</u>	<u>\$ 664,063,166</u>

Schedule of General Obligation Bonds-School Purposes

June 30, 2006

	General Obligation		General Obligation		General Obligation		General Obligation		General Obligation			
Date of Issuance	04/01/92 04/30/92	s c	05/15/93	11/01/96 11/14/96	s c	11/01/97	2/15/98	1/28/99				
Principal	\$	33,689,029	\$	33,976,436	\$	51,045,323	\$	74,415,173	\$	50,730,825	\$	33,855,377
Interest Rate %	3.15-6.50		3.40-5.50		5.00-6.00		4.50-5.75		5.00-5.10		(Variable)	
Fiscal Year												
2007	\$	774,343	\$	1,277,343	\$	1,318,101	\$	2,755,370	\$	222,681	\$	52,817
2008		721,159		1,356,763		1,388,184		2,896,055		232,803		5,712,985
2009		676,475		1,440,596		1,460,963		16,607,708		253,047		220,069
2010		---		1,528,840		14,323,905		6,124,950		263,169		237,674
2011		---		---		9,895,193		4,038,693		273,291		3,397,862
2012		---		---		7,284,225		4,275,456		283,412		4,691,866
2013		---		---		6,489,541		2,053,270		3,502,168		3,274,623
2014		---		---		1,086,439		1,943,772		4,554,843		5,149,609
2015		---		---		1,019,558		1,836,850		4,747,158		4,489,403
2016		---		---		955,867		4,580,845		5,415,202		1,443,651
2017		---		---		904,052		1,728,391		5,376,739		1,496,468
2018		---		---		---		4,875,941		5,364,592		1,584,495
2019		---		---		---		5,167,605		5,635,858		1,646,114
2020		---		---		---		2,247,531		5,951,661		184,858
2021		---		---		---		---		5,263,374		---
2022		---		---		---		---		2,024,374		---
2023		---		---		---		---		---		---
2024		---		---		---		---		---		---
2025		---		---		---		---		---		---
2026		---		---		---		---		---		---
2027		---		---		---		---		---		---
2028		---		---		---		---		---		---
2029		---		---		---		---		---		---
2030		---		---		---		---		---		---
2031		---		---		---		---		---		---
TOTAL	<u>\$</u>	<u>2,171,977</u>	<u>\$</u>	<u>5,603,542</u>	<u>\$</u>	<u>46,126,028</u>	<u>\$</u>	<u>61,132,437</u>	<u>\$</u>	<u>49,364,372</u>	<u>\$</u>	<u>33,582,491</u>

<u>General Obligation</u>	<u>General Obligation</u>	<u>General Obligation</u>	<u>General Obligation</u>	<u>General Obligation</u>	<u>General Obligation</u>
2/1/99	2/15/99	5/1/99	12/1/99	10/1/00	10/1/00
\$ 25,851,784	\$ 28,989,865	\$ 63,288,701	\$ 6,593,361	\$ 143,962,457	\$ 10,770,911
3.55-5.25	4.00-5.00	4.75-5.00	(Variable)	4.75-5.625	5.00
\$ 876,404	\$ 914,296	\$ 1,983,454	\$ 913,538	\$ 3,287,143	\$ 2,684,125
1,589,014	936,596	1,983,454	992,976	3,287,143	1,772,211
2,386,711	981,196	1,983,454	---	3,551,074	1,858,240
5,926,361	---	---	---	3,551,074	---
3,903,400	---	---	---	---	---
2,803,641	---	---	---	---	---
1,425,220	---	---	---	---	---
---	---	---	---	---	---
---	---	---	---	---	---
---	---	---	---	---	---
---	---	---	---	---	---
---	---	---	---	---	---
---	1,560,993	---	---	---	---
---	1,672,492	---	---	---	---
---	1,672,492	3,636,332	---	---	---
---	1,783,992	3,983,436	---	---	---
---	1,873,191	4,198,310	---	---	---
---	2,006,991	4,380,127	---	---	---
---	---	---	---	---	---
---	---	---	---	---	---
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---	---	---	---	---	---
---	---	---	---	---	---
---	---	---	---	---	---
---	---	---	---	---	---
<u>\$ 18,910,751</u>	<u>\$ 13,402,239</u>	<u>\$ 22,148,567</u>	<u>\$ 1,906,514</u>	<u>\$ 13,676,434</u>	<u>\$ 6,314,576</u>

Schedule of General Obligation Bonds-School Purposes
(continued)
June 30, 2006

	General Obligation	General Obligation	General Obligation	General Obligation	General Obligation	General Obligation
Date of Issuance	12/1/00	12/1/2001	6/10/2003	11/12/2003	3/31/2004	4/15/2004
Principal \$	5,515,922	\$ 57,716,466	\$ 89,355,000	\$ 32,110,000	\$ 28,858,830	\$ 176,950,269
Interest Rate %	(Variable)	4.50-5.00	4.00-5.00	2.50-5.00	3.00-5.00	(Variable)
Fiscal Year						
2007	\$ 278,326	\$ 1,957,421	\$ 660,000	\$ 860,000	\$ 2,336,393	\$ ---
2008	278,326	2,039,742	790,000	875,000	2,569,125	---
2009	303,629	2,122,063	925,000	895,000	2,829,060	---
2010	303,629	2,195,238	720,000	920,000	3,113,175	---
2011	2,479,635	2,286,706	2,260,000	950,000	3,424,493	---
2012	---	---	---	980,000	3,763,013	---
2013	---	---	---	1,020,000	4,140,825	---
2014	---	---	---	1,060,000	4,554,908	---
2015	---	---	---	1,105,000	---	5,011,305
2016	---	---	---	1,150,000	---	5,513,040
2017	---	---	3,275,000	1,200,000	---	6,063,135
2018	---	---	3,600,000	1,250,000	---	6,667,635
2019	---	---	3,960,000	1,310,000	---	7,338,630
2020	---	---	4,355,000	1,365,000	---	8,070,075
2021	---	3,548,968	4,795,000	1,430,000	---	8,877,083
2022	---	3,713,611	5,270,000	1,495,000	---	9,765,698
2023	---	3,896,547	5,800,000	1,570,000	---	10,741,965
2024	---	4,079,484	6,380,000	1,645,000	---	11,814,953
2025	---	---	7,015,000	1,725,000	---	12,996,750
2026	---	---	7,720,000	1,810,000	---	13,775,000
2027	---	---	8,490,000	1,905,000	---	15,150,000
2028	---	---	9,340,000	2,000,000	---	16,665,000
2029	---	---	---	1,910,000	---	18,335,000
2030	---	---	---	---	---	20,165,000
2031	---	---	---	---	---	---
TOTAL	<u>\$ 3,643,545</u>	<u>\$ 25,839,781</u>	<u>\$ 75,355,000</u>	<u>\$ 30,430,000</u>	<u>\$ 26,730,990</u>	<u>\$ 176,950,269</u>

<u>General Obligation</u>	<u>General Obligation</u>	<u>General Obligation</u>	<u>Combined Total</u>
3/10/2005	2/22/2006	2/22/2006	
\$ 241,373,000	\$ 42,161,627	\$ 159,590,000	
3.00-5.00	5.00	(Variable)	
\$ 2,154,000	\$ ---	\$ ---	\$ 25,305,754
5,133,000	---	---	34,554,536
4,992,000	---	---	43,486,285
6,911,000	---	---	46,119,015
12,719,000	6,981,627	---	52,609,899
13,068,000	9,555,000	---	46,704,612
10,413,000	7,070,000	---	39,388,647
19,085,000	6,220,000	---	43,654,570
23,034,000	3,360,000	---	44,603,274
27,887,000	8,975,000	---	55,920,605
20,044,000	---	7,425,000	47,512,785
25,380,000	---	2,020,000	50,742,663
20,504,000	---	---	47,123,200
19,026,000	---	2,705,000	45,577,617
6,195,000	---	8,505,000	43,923,249
6,090,000	---	9,575,000	43,701,111
5,205,000	---	7,130,000	40,415,013
5,170,000	---	7,450,000	42,926,555
4,700,000	---	23,900,000	50,336,750
---	---	26,130,000	49,435,000
---	---	20,110,000	45,655,000
---	---	6,625,000	34,630,000
---	---	12,680,000	32,925,000
---	---	6,055,000	26,220,000
---	---	19,280,000	19,280,000
<u>\$ 237,710,000</u>	<u>\$ 42,161,627</u>	<u>\$ 159,590,000</u>	<u>1,052,751,140</u>
Total general obligation bonds - except for school purposes			<u>664,012,691</u>
Total general obligation bonds			<u>\$ 1,716,763,831</u>

June 30, 2006

Defeased Bonds: **

Bond Series			Maturity Dates	Total Defeased Principal
1996 Series B	Public Improvement	Current interest bonds	11/01/07-16, 21	\$ 59,500,000
1999 Series A	Public Imp/School	Current interest bonds	05/01/10-18	24,700,000
1999 Series B	Public Imp/School	Current interest bonds	06/01/10-20	44,600,000
2000 Series A	Public Imp/School	Current interest bonds	04/01/11-21,25	124,975,000
2001 Series A	Public Imp/School	Current interest bonds	04/01/12-20	69,825,000
2003 Series A	Public Imp/School	Current interest bonds	03/01/12-16	26,530,000
Total				<u>\$ 350,130,000</u>

** All issues shown at original issue par value amounts. See Note IV (H) for an explanation of refundings and defeasance.

Debt Service Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2006

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local taxes	\$ 144,202,000	\$ 144,202,000	\$ 151,563,291	\$ 7,361,291
Local revenue	1,964,198	1,964,198	2,414,317	450,119
State revenue	1,357,649	1,357,649	1,357,649	---
Elected officials' fines and fees	---	---	1,100,850	1,100,850
Other revenue	1,845	1,845	1,400,879	1,399,034
Total revenues	<u>147,525,692</u>	<u>147,525,692</u>	<u>157,836,986</u>	<u>10,311,294</u>
Expenditures:				
Professional and contracted services	55,063	55,063	34,898	20,165
Debt service	140,376,557	143,324,625	139,749,309	3,575,316
Contingencies and restrictions	<u>935,410</u>	<u>935,410</u>	<u>---</u>	<u>935,410</u>
Total expenditures	<u>141,367,030</u>	<u>144,315,098</u>	<u>139,784,207</u>	<u>4,530,891</u>
Excess (deficiency) of revenues over expenditures	<u>6,158,662</u>	<u>3,210,594</u>	<u>18,052,779</u>	<u>14,842,185</u>
Other Financing Sources (uses):				
Transfers in	8,898,139	11,436,193	11,043,066	(393,127)
Transfers out	(6,115,375)	(6,115,375)	(2,412,453)	3,702,922
Planned change in fund balance	<u>(8,941,426)</u>	<u>(8,531,412)</u>	<u>---</u>	<u>8,531,412</u>
Total other financing sources (uses)	<u>(6,158,662)</u>	<u>(3,210,594)</u>	<u>8,630,613</u>	<u>11,841,207</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ 26,683,392</u>	<u>\$ 26,683,392</u>

**Budgetary Comparison Schedule-Summary By Type
For the Year Ended June 30, 2006**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local taxes	\$ 213,167,000	\$ 220,564,111	\$ 221,362,501	\$ 798,390
Local revenue	28,896,542	28,880,314	27,747,801	(1,132,513)
State revenue	14,195,881	15,056,355	15,056,355	---
Federal revenue	10,000	10,000	29,756	19,756
Patient service revenue	981,640	981,640	855,702	(125,938)
Elected officials' fines and fees	56,206,812	59,892,191	59,960,792	68,601
Other revenue	3,257,020	7,083,195	7,895,381	812,186
Total revenues	<u>316,714,895</u>	<u>332,467,806</u>	<u>332,908,288</u>	<u>440,482</u>
Expenditures:				
Salaries	163,986,992	163,444,628	162,163,337	1,281,291
Other compensation	7,998,995	9,740,442	9,382,520	357,922
Fringe benefits	51,957,928	47,519,767	46,313,670	1,206,097
Supplies	12,525,421	12,690,803	11,892,821	797,982
Services	4,907,821	4,608,773	4,181,028	427,745
Professional and contracted services	29,787,552	29,306,942	28,867,197	439,745
Rent, utilities, and maintenance	15,835,804	16,674,640	16,108,842	565,798
Interdepartmental expenditures	(324,429)	(129,303)	(66,848)	(62,455)
Intergovernmental expenditures	230,000	222,951	222,950	1
Asset acquisitions	2,748,204	2,633,618	2,466,223	167,395
Debt service	2,850,000	2,323,968	2,323,968	---
Special funded projects	24,424,628	24,795,148	24,795,148	---
Grants	206,000	206,000	206,000	---
Contingencies and restrictions	(2,716,499)	(1,827,226)	---	(1,827,226)
Total expenditures	<u>314,418,417</u>	<u>312,211,151</u>	<u>308,856,856</u>	<u>3,354,295</u>
Excess (deficiency) of revenues over expenditures	<u>2,296,478</u>	<u>20,256,655</u>	<u>24,051,432</u>	<u>3,794,777</u>
Other Financing Sources (uses):				
Transfers in	12,868,255	12,811,166	12,015,981	(795,185)
Transfers out	(15,164,733)	(33,067,821)	(32,467,413)	600,408
Total other financing sources (uses)	<u>(2,296,478)</u>	<u>(20,256,655)</u>	<u>(20,451,432)</u>	<u>(194,777)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ 3,600,000</u>	<u>\$ 3,600,000</u>

**Budgetary Comparison Schedule-Summary By Department
For the Year Ended June 30, 2006**

	Final Budget	Actual Amounts	Variance
Revenues:			
General Government			
Chief Administrative Officer	\$ ---	\$ 1,154	\$ 1,154
County Attorney	102,000	95,803	(6,197)
Central Operations	236,905,763	237,902,100	996,337
Personnel	301,172	222,114	(79,058)
Purchasing	150,000	863	(149,137)
Information Technology	1,535,188	1,745,483	210,295
Finance	438,039	425,349	(12,690)
Board of Equalization	418,352	220,229	(198,123)
Election Commission	601,600	444,583	(157,017)
	<u>240,452,114</u>	<u>241,057,678</u>	<u>605,564</u>
Planning and Development			
Department of Housing	5,000	3,637	(1,363)
	<u>5,000</u>	<u>3,637</u>	<u>(1,363)</u>
Public Works			
County Engineer	206,500	201,059	(5,441)
Emergency Services	476,618	486,618	10,000
Environmental Improvement	111,000	24,956	(86,044)
Shelby Farms	133,000	121,708	(11,292)
Agricultural Extension Service	5,000	3,750	(1,250)
Conservation Board	449,000	421,556	(27,444)
Port Commission	700,000	178,518	(521,482)
Support Services	2,348,236	2,504,154	155,918
	<u>4,429,354</u>	<u>3,942,319</u>	<u>(487,035)</u>
Health Services			
Forensic Services	730,250	467,863	(262,387)
Administration and Finance - Health Services	11,361,393	11,144,663	(216,730)
Environmental Health Services	1,770,330	1,696,260	(74,070)
Personal Health Services	2,804,205	2,074,855	(729,350)
Assessment and Assurance	723,225	893,764	170,539
	<u>17,389,403</u>	<u>16,277,405</u>	<u>(1,111,998)</u>
Community Services			
Crime Victims Center	---	2,173	2,173
Pretrial Services	400,000	412,322	12,322
	<u>400,000</u>	<u>414,495</u>	<u>14,495</u>
Law Enforcement			
Sheriff	4,111,712	4,424,609	312,897
	<u>4,111,712</u>	<u>4,424,609</u>	<u>312,897</u>

(continued)

Budgetary Comparison Schedule-Summary By Department (continued)
For the Year Ended June 30, 2006

	Final Budget	Actual Amounts	Variance
Judicial			
General Sessions Civil Court Judges	\$ 288,000	\$ 325,633	\$ 37,633
General Sessions Criminal Court Judges	625,000	469,830	(155,170)
Chancery Court Clerk	4,017,926	4,140,174	122,248
Circuit Court Clerk	2,222,682	2,343,994	121,312
Criminal Court Clerk	5,704,500	5,757,644	53,144
General Sessions Court Clerk	7,803,982	8,088,773	284,791
Probate Court Clerk	500,000	574,197	74,197
Juvenile Court Clerk	1,250,000	1,272,679	22,679
Juvenile Court	224,600	240,579	15,979
Public Defender	3,109,450	3,111,745	2,295
Divorce Referee	325,000	315,974	(9,026)
Attorney General	127,269	139,719	12,450
	<u>26,198,409</u>	<u>26,780,941</u>	<u>582,532</u>
Other Elected Officials			
Legislative Operations	5,500	4,311	(1,189)
Assessor	2,279,000	2,706,823	427,823
County Clerk	9,375,329	9,508,957	133,628
Register	6,856,211	6,885,466	29,255
Trustee	20,965,774	20,901,647	(64,127)
	<u>39,481,814</u>	<u>40,007,204</u>	<u>525,390</u>
Total revenues	<u>332,467,806</u>	<u>332,908,288</u>	<u>440,482</u>
Expenditures:			
General Government			
Mayor's Office	497,772	453,549	44,223
Public Affairs	392,223	383,324	8,899
Chief Administrative Officer	1,972,711	1,890,722	81,989
Office on Health Policy	236,669	225,253	11,416
County Attorney	3,109,490	3,066,262	43,228
Director-Administration and Finance	413,482	410,650	2,832
Central Operations	20,888,899	22,062,999	(1,174,100)
County Grants	4,434,481	4,434,481	---
Personnel	2,887,983	2,809,080	78,903
Purchasing	895,108	845,110	49,998
Information Technology	9,312,260	9,062,625	249,635
Finance	3,141,192	3,082,892	58,300
Board of Equalization	491,172	463,638	27,534
Election Commission	2,964,756	2,404,643	560,113
	<u>51,638,198</u>	<u>51,595,228</u>	<u>42,970</u>
Planning and Development			
Department of Housing	520,438	497,339	23,099
	<u>520,438</u>	<u>497,339</u>	<u>23,099</u>

(continued)

Budgetary Comparison Schedule-Summary By Department (continued)

For the Year Ended June 30, 2006

	Final Budget	Actual Amounts	Variance
Public Works			
Director and Staff - Public Works	\$ 578,484	\$ 571,375	\$ 7,109
County Engineer	2,292,613	2,286,417	6,196
Emergency Services	1,293,951	1,292,952	999
Environmental Improvement	24,956	24,956	---
Soil Conservation	60,004	58,064	1,940
Weights and Measures	72,440	68,997	3,443
Shelby Farms	577,342	576,240	1,102
Agricultural Extension Service	261,629	259,480	2,149
Conservation Board	564,472	562,159	2,313
Port Commission	451,730	451,730	---
Support Services	13,537,532	13,502,011	35,521
	<u>19,715,153</u>	<u>19,654,381</u>	<u>60,772</u>
Health Services			
Director - Health Services	332,165	329,945	2,220
Forensic Services	2,160,294	2,148,637	11,657
Administration and Finance - Health Services	12,441,338	12,315,147	126,191
Environmental Health Services	3,345,127	3,167,696	177,431
Personal Health Services	10,148,897	10,177,962	(29,065)
Assessment and Assurance	1,302,039	1,284,700	17,339
	<u>29,729,860</u>	<u>29,424,087</u>	<u>305,773</u>
Community Services			
Director - Community Services	221,656	187,730	33,926
Special Funded Projects	325,000	318,100	6,900
Crime Victims Center	286,796	275,050	11,746
Office on Aging	67,469	67,068	401
Pretrial Services	2,938,541	2,823,613	114,928
	<u>3,839,462</u>	<u>3,671,561</u>	<u>167,901</u>
Law Enforcement			
Sheriff	128,946,572	128,625,920	320,652
	<u>128,946,572</u>	<u>128,625,920</u>	<u>320,652</u>
Judicial			
Chancery Court Judges	45,240	36,870	8,370
Circuit Court Judges	115,529	113,167	2,362
Criminal Court Judges	57,049	42,228	14,821
General Sessions Civil Court Judges	996,855	986,827	10,028
General Sessions Criminal Court Judges	2,758,867	2,747,933	10,934
Probate Court Judges	398,205	398,205	---
Chancery Court Clerk	1,307,104	1,234,426	72,678
Circuit Court Clerk	2,554,469	2,472,187	82,282
Criminal Court Clerk	4,675,278	4,450,312	224,966
General Sessions Court Clerk	7,029,505	6,697,975	331,530
Probate Court Clerk	563,188	559,811	3,377
Juvenile Court Clerk	4,022,689	3,778,491	244,198
Juvenile Court	13,324,010	13,168,669	155,341
Public Defender	7,243,012	6,863,743	379,269
Divorce Referee	416,852	413,929	2,923
Jury Commission	769,358	719,119	50,239
Attorney General	6,685,762	6,685,762	---
	<u>52,962,972</u>	<u>51,369,654</u>	<u>1,593,318</u>

(continued)

Shelby County, Tennessee

General Fund

Budgetary Comparison Schedule-Summary By Department (continued)
For the Year Ended June 30, 2006

	Final Budget	Actual Amounts	Variance
Other Elected Officials			
Legislative Operations	\$ 1,662,401	\$ 1,504,262	\$ 158,139
Equal Opportunity Compliance	737,958	682,620	55,338
Assessor	9,468,281	9,170,281	298,000
County Clerk	4,681,896	4,498,819	183,077
Register	1,918,862	1,773,606	145,256
Trustee	6,389,098	6,389,098	---
	<u>24,858,496</u>	<u>24,018,686</u>	<u>839,810</u>
 Total expenditures	 <u>312,211,151</u>	 <u>308,856,856</u>	 <u>3,354,295</u>
 Excess (deficiency) of revenues over expenditures	 <u>20,256,655</u>	 <u>24,051,432</u>	 <u>3,794,777</u>
Other Financing Sources and Uses:			
Transfers in			
Central Operations	5,353,904	5,353,904	---
Personnel	378,827	357,199	(21,628)
Finance	292,045	---	(292,045)
Director and Staff - Public Works	35,170	35,170	---
County Engineer	1,550,000	1,550,000	---
Administration and Finance - Health Services	2,136,922	1,936,631	(200,291)
Personal Health Services	1,144,658	930,718	(213,940)
Special Funded Projects	325,000	318,050	(6,950)
Crime Victims Center	810	---	(810)
Juvenile Court Clerk	82,146	42,880	(39,266)
Juvenile Court	1,511,684	1,491,429	(20,255)
Total transfers in	<u>12,811,166</u>	<u>12,015,981</u>	<u>(795,185)</u>
 Transfers out			
Central Operations	(29,842,351)	(29,721,639)	120,712
Personnel	(196,693)	(58,692)	138,001
Department of Housing	(100,000)	(26,405)	73,595
Director and Staff - Public Works	(205,294)	(178,893)	26,401
Environmental Improvement	(35,105)	(35,105)	---
Shelby Farms	(20,000)	---	20,000
Port Commission	(248,270)	(248,270)	---
Administration and Finance - Health Services	(56,250)	(53,700)	2,550
Environmental Health Services	(1,383,732)	(1,302,076)	81,656
Personal Health Services	(421,544)	(421,544)	---
Special Funded Projects	(143,906)	(143,906)	---
Crime Victims Center	(77,639)	(65,091)	12,548
Pretrial Services	(25,000)	(23,383)	1,617
Sheriff	(6,667)	(4,800)	1,867
General Sessions Criminal Court Judges	(3,962)	(3,923)	39
Juvenile Court Clerk	(247,836)	(155,875)	91,961
Juvenile Court	(50,891)	(21,430)	29,461
Attorney General	(2,681)	(2,681)	---
Total transfers out	<u>(33,067,821)</u>	<u>(32,467,413)</u>	<u>600,408</u>
 Total other financing sources (uses)	 <u>(20,256,655)</u>	 <u>(20,451,432)</u>	 <u>(194,777)</u>
 Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	 <u>\$ ---</u>	 <u>\$ 3,600,000</u>	 <u>\$ 3,600,000</u>

General Fund
Mayor's Office
Budgetary Comparison Schedule
For the Year Ended June 30, 2006

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Expenditures:				
Salaries	\$ 373,750	\$ 332,770	\$ 309,830	\$ 22,940
Fringe benefits	93,911	92,852	74,985	17,867
Supplies	33,500	34,000	33,717	283
Services	13,550	12,050	10,493	1,557
Professional and contracted services	2,000	3,000	2,081	919
Rent, utilities, and maintenance	15,000	13,100	12,846	254
Interdepartmental expenditures	6,000	10,000	9,597	403
Total expenditures	<u>537,711</u>	<u>497,772</u>	<u>453,549</u>	<u>44,223</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ (537,711)</u>	<u>\$ (497,772)</u>	<u>\$ (453,549)</u>	<u>\$ 44,223</u>

General Fund
Public Affairs
Budgetary Comparison Schedule
For the Year Ended June 30, 2006

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Expenditures:				
Salaries	\$ 534,259	\$ 282,015	\$ 282,015	\$ ---
Fringe benefits	160,283	90,408	83,777	6,631
Supplies	14,000	14,200	13,796	404
Services	5,800	5,600	3,736	1,864
Total expenditures	<u>714,342</u>	<u>392,223</u>	<u>383,324</u>	<u>8,899</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ (714,342)</u>	<u>\$ (392,223)</u>	<u>\$ (383,324)</u>	<u>\$ 8,899</u>

General Fund
Chief Administrative Officer
Budgetary Comparison Schedule
For the Year Ended June 30, 2006

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ ---	\$ ---	\$ 1,154	\$ 1,154
Total revenues	---	---	1,154	1,154
Expenditures:				
Salaries	979,889	1,183,067	1,146,779	36,288
Other compensation	---	7,436	7,436	---
Fringe benefits	238,029	314,701	281,902	32,799
Supplies	38,254	57,754	51,642	6,112
Services	29,761	21,606	17,763	3,843
Professional and contracted services	923,000	388,012	385,065	2,947
Rent, utilities, and maintenance	---	135	135	---
Total expenditures	2,208,933	1,972,711	1,890,722	81,989
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ (2,208,933)</u>	<u>\$ (1,972,711)</u>	<u>\$ (1,889,568)</u>	<u>\$ 83,143</u>

General Fund
Office on Health Policy
Budgetary Comparison Schedule
For the Year Ended June 30, 2006

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Expenditures:				
Salaries	\$ 187,399	\$ 186,967	\$ 178,047	\$ 8,920
Fringe benefits	44,559	44,719	44,719	---
Supplies	1,983	3,183	2,227	956
Services	3,000	1,800	260	1,540
Total expenditures	<u>236,941</u>	<u>236,669</u>	<u>225,253</u>	<u>11,416</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ (236,941)</u>	<u>\$ (236,669)</u>	<u>\$ (225,253)</u>	<u>\$ 11,416</u>

General Fund
County Attorney
Budgetary Comparison Schedule
For the Year Ended June 30, 2006

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local revenue	\$ 102,000	\$ 102,000	\$ 95,803	\$ (6,197)
Total revenues	102,000	102,000	95,803	(6,197)
Expenditures:				
Salaries	2,014,835	2,003,809	1,966,877	36,932
Fringe benefits	516,781	529,493	525,610	3,883
Supplies	48,350	41,246	41,246	---
Services	87,600	108,116	108,116	---
Professional and contracted services	222,953	426,725	424,313	2,412
Rent, utilities, and maintenance	600	101	100	1
Total expenditures	2,891,119	3,109,490	3,066,262	43,228
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ (2,789,119)	\$ (3,007,490)	\$ (2,970,459)	\$ 37,031

General Fund
Director-Administration and Finance
Budgetary Comparison Schedule
For the Year Ended June 30, 2006

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Expenditures:				
Salaries	\$ 330,468	\$ 332,445	\$ 332,445	\$ ---
Fringe benefits	74,514	74,537	74,387	150
Supplies	4,000	4,000	3,644	356
Services	2,500	2,500	174	2,326
Total expenditures	<u>411,482</u>	<u>413,482</u>	<u>410,650</u>	<u>2,832</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ (411,482)</u>	<u>\$ (413,482)</u>	<u>\$ (410,650)</u>	<u>\$ 2,832</u>

General Fund
Central Operations
Budgetary Comparison Schedule
For the Year Ended June 30, 2006

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local taxes	\$ 213,167,000	\$ 220,564,111	\$ 221,362,501	\$ 798,390
Local revenue	2,124,000	2,124,000	1,826,854	(297,146)
State revenue	7,440,000	7,620,420	8,064,104	443,684
Elected officials' fines and fees	1,661,000	1,929,590	1,795,500	(134,090)
Other revenue	2,350,000	4,667,642	4,853,141	185,499
Total revenues	<u>226,742,000</u>	<u>236,905,763</u>	<u>237,902,100</u>	<u>996,337</u>
Expenditures:				
Salaries	(1,481,093)	(2,481,093)	(2,481,093)	---
Fringe benefits	---	(996,674)	(996,674)	---
Supplies	175,000	166,850	166,832	18
Services	537,590	471,681	471,681	---
Professional and contracted services	1,656,094	1,052,211	1,052,211	---
Rent, utilities, and maintenance	500,000	740,000	736,457	3,543
Intergovernmental expenditures	230,000	222,951	222,950	1
Debt service	2,850,000	2,323,968	2,323,968	---
Special funded projects	20,566,667	20,566,667	20,566,667	---
Contingencies and restrictions	(2,000,000)	(1,177,662)	---	(1,177,662)
Total expenditures	<u>23,034,258</u>	<u>20,888,899</u>	<u>22,062,999</u>	<u>(1,174,100)</u>
Excess (deficiency) of revenues over expenditures	<u>203,707,742</u>	<u>216,016,864</u>	<u>215,839,101</u>	<u>(177,763)</u>
Other Financing Sources (uses):				
Transfers in	5,298,578	5,353,904	5,353,904	---
Transfers out	(11,468,441)	(29,842,351)	(29,721,639)	120,712
Total other financing sources (uses)	<u>(6,169,863)</u>	<u>(24,488,447)</u>	<u>(24,367,735)</u>	<u>120,712</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ 197,537,879</u>	<u>\$ 191,528,417</u>	<u>\$ 191,471,366</u>	<u>\$ (57,051)</u>

General Fund
County Grants
Budgetary Comparison Schedule
For the Year Ended June 30, 2006

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Expenditures:				
Special funded projects	\$ 3,857,961	\$ 4,228,481	\$ 4,228,481	\$ ---
Grants	206,000	206,000	206,000	---
Total expenditures	<u>4,063,961</u>	<u>4,434,481</u>	<u>4,434,481</u>	<u>---</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ (4,063,961)</u>	<u>\$ (4,434,481)</u>	<u>\$ (4,434,481)</u>	<u>\$ ---</u>

General Fund
Personnel
Budgetary Comparison Schedule
For the Year Ended June 30, 2006

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local revenue	\$ 40,000	\$ 300,872	\$ 221,966	\$ (78,906)
Other revenue	158,120	300	148	(152)
Total revenues	<u>198,120</u>	<u>301,172</u>	<u>222,114</u>	<u>(79,058)</u>
Expenditures:				
Salaries	1,415,905	2,055,376	2,016,740	38,636
Other compensation	---	11,708	7,757	3,951
Fringe benefits	383,027	579,740	556,857	22,883
Supplies	44,800	78,987	76,960	2,027
Services	39,250	48,495	42,060	6,435
Professional and contracted services	112,348	59,113	54,967	4,146
Rent, utilities, and maintenance	53,000	54,564	53,739	825
Asset acquisitions	10,000	---	---	---
Total expenditures	<u>2,058,330</u>	<u>2,887,983</u>	<u>2,809,080</u>	<u>78,903</u>
Excess (deficiency) of revenues over expenditures	<u>(1,860,210)</u>	<u>(2,586,811)</u>	<u>(2,586,966)</u>	<u>(155)</u>
Other Financing Sources (uses):				
Transfers in	365,217	378,827	357,199	(21,628)
Transfers out	<u>(79,359)</u>	<u>(196,693)</u>	<u>(58,692)</u>	<u>138,001</u>
Total other financing sources (uses)	<u>285,858</u>	<u>182,134</u>	<u>298,507</u>	<u>116,373</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ (1,574,352)</u>	<u>\$ (2,404,677)</u>	<u>\$ (2,288,459)</u>	<u>\$ 116,218</u>

General Fund
Purchasing
Budgetary Comparison Schedule
For the Year Ended June 30, 2006

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local revenue	\$ 150,000	\$ 150,000	\$ 863	\$ (149,137)
Total revenues	150,000	150,000	863	(149,137)
Expenditures:				
Salaries	662,266	666,954	642,572	24,382
Fringe benefits	183,007	186,258	173,008	13,250
Supplies	24,650	27,425	22,587	4,838
Services	16,246	13,471	6,631	6,840
Rent, utilities, and maintenance	1,000	1,000	312	688
Total expenditures	887,169	895,108	845,110	49,998
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ (737,169)	\$ (745,108)	\$ (844,247)	\$ (99,139)

General Fund
Information Technology
Budgetary Comparison Schedule
For the Year Ended June 30, 2006

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local revenue	\$ 1,480,760	\$ 1,533,988	\$ 1,742,783	\$ 208,795
State revenue	1,200	1,200	2,700	1,500
Total revenues	<u>1,481,960</u>	<u>1,535,188</u>	<u>1,745,483</u>	<u>210,295</u>
Expenditures:				
Salaries	5,029,599	4,703,717	4,663,452	40,265
Other compensation	142,034	141,988	65,894	76,094
Fringe benefits	1,341,241	1,326,650	1,220,153	106,497
Supplies	727,822	840,988	829,427	11,561
Services	56,964	57,174	46,106	11,068
Professional and contracted services	980,361	834,668	831,462	3,206
Rent, utilities, and maintenance	1,418,344	1,325,777	1,325,777	---
Interdepartmental expenditures	5,600	4,745	4,188	557
Asset acquisitions	125,000	76,553	76,166	387
Total expenditures	<u>9,826,965</u>	<u>9,312,260</u>	<u>9,062,625</u>	<u>249,635</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ (8,345,005)</u>	<u>\$ (7,777,072)</u>	<u>\$ (7,317,142)</u>	<u>\$ 459,930</u>

General Fund
Finance
Budgetary Comparison Schedule
For the Year Ended June 30, 2006

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local revenue	\$ 438,039	\$ 438,039	\$ 425,349	\$ (12,690)
Total revenues	<u>438,039</u>	<u>438,039</u>	<u>425,349</u>	<u>(12,690)</u>
Expenditures:				
Salaries	2,376,015	2,379,830	2,375,225	4,605
Other compensation	10,000	14,097	14,097	---
Fringe benefits	647,405	653,583	620,860	32,723
Supplies	50,651	45,222	34,605	10,617
Services	14,400	16,400	11,609	4,791
Professional and contracted services	43,810	26,760	24,698	2,062
Rent, utilities, and maintenance	1,700	1,700	407	1,293
Interdepartmental expenditures	3,900	3,600	1,391	2,209
Total expenditures	<u>3,147,881</u>	<u>3,141,192</u>	<u>3,082,892</u>	<u>58,300</u>
Excess (deficiency) of revenues over expenditures	<u>(2,709,842)</u>	<u>(2,703,153)</u>	<u>(2,657,543)</u>	<u>45,610</u>
Other Financing Sources (uses):				
Transfers in	292,045	292,045	---	(292,045)
Total other financing sources (uses)	<u>292,045</u>	<u>292,045</u>	<u>---</u>	<u>(292,045)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ (2,417,797)</u>	<u>\$ (2,411,108)</u>	<u>\$ (2,657,543)</u>	<u>\$ (246,435)</u>

General Fund
Board of Equalization
Budgetary Comparison Schedule
For the Year Ended June 30, 2006

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local revenue	\$ 418,352	\$ 418,352	\$ 220,229	\$ (198,123)
Total revenues	<u>418,352</u>	<u>418,352</u>	<u>220,229</u>	<u>(198,123)</u>
Expenditures:				
Salaries	264,131	237,940	236,528	1,412
Fringe benefits	86,233	86,233	64,343	21,890
Supplies	34,000	22,148	20,265	1,883
Services	255,000	141,901	139,552	2,349
Professional and contracted services	30,000	2,950	2,950	---
Total expenditures	<u>669,364</u>	<u>491,172</u>	<u>463,638</u>	<u>27,534</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ (251,012)</u>	<u>\$ (72,820)</u>	<u>\$ (243,409)</u>	<u>\$ (170,589)</u>

General Fund
Election Commission
Budgetary Comparison Schedule
For the Year Ended June 30, 2006

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local revenue	\$ 7,200	\$ 7,200	\$ 134,902	\$ 127,702
State revenue	192,450	592,000	307,188	(284,812)
Other revenue	2,400	2,400	2,493	93
Total revenues	<u>202,050</u>	<u>601,600</u>	<u>444,583</u>	<u>(157,017)</u>
Expenditures:				
Salaries	1,408,142	1,554,141	1,175,420	378,721
Other compensation	114,000	154,100	67,103	86,997
Fringe benefits	299,264	313,335	234,673	78,662
Supplies	202,004	160,268	158,598	1,670
Services	337,541	318,431	318,431	---
Professional and contracted services	116,041	64,628	64,628	---
Rent, utilities, and maintenance	247,236	388,512	381,347	7,165
Interdepartmental expenditures	4,429	10,929	4,443	6,486
Asset acquisitions	43,907	412	---	412
Total expenditures	<u>2,772,564</u>	<u>2,964,756</u>	<u>2,404,643</u>	<u>560,113</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ (2,570,514)</u>	<u>\$ (2,363,156)</u>	<u>\$ (1,960,060)</u>	<u>\$ 403,096</u>

General Fund
Department of Housing
Budgetary Comparison Schedule
For the Year Ended June 30, 2006

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local revenue	\$ 5,000	\$ 5,000	\$ 3,637	\$ (1,363)
Total revenues	5,000	5,000	3,637	(1,363)
Expenditures:				
Salaries	371,947	360,807	360,777	30
Fringe benefits	114,444	114,384	97,912	16,472
Supplies	12,945	9,165	7,393	1,772
Services	12,307	10,267	9,562	705
Professional and contracted services	1,077	1,535	1,535	---
Rent, utilities, and maintenance	7,561	12,923	12,681	242
Interdepartmental expenditures	11,357	11,357	7,479	3,878
Total expenditures	531,638	520,438	497,339	23,099
Excess (deficiency) of revenues over expenditures	(526,638)	(515,438)	(493,702)	21,736
Other Financing Sources (uses):				
Transfers out	(100,000)	(100,000)	(26,405)	73,595
Total other financing sources (uses)	(100,000)	(100,000)	(26,405)	73,595
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ (626,638)	\$ (615,438)	\$ (520,107)	\$ 95,331

General Fund
Director and Staff - Public Works
Budgetary Comparison Schedule
For the Year Ended June 30, 2006

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local revenue	\$ 508,000	\$ ---	\$ ---	\$ ---
Total revenues	508,000	---	---	---
Expenditures:				
Salaries	736,439	444,791	442,334	2,457
Other compensation	---	7,383	7,383	---
Fringe benefits	195,828	116,101	113,670	2,431
Supplies	14,088	4,189	3,977	212
Services	17,600	4,020	4,011	9
Professional and contracted services	22,500	---	---	---
Interdepartmental expenditures	4,000	2,000	---	2,000
Total expenditures	990,455	578,484	571,375	7,109
Excess (deficiency) of revenues over expenditures	(482,455)	(578,484)	(571,375)	7,109
Other Financing Sources (uses):				
Transfers in	35,170	35,170	35,170	---
Transfers out	(165,294)	(205,294)	(178,893)	26,401
Total other financing sources (uses)	(130,124)	(170,124)	(143,723)	26,401
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ (612,579)	\$ (748,608)	\$ (715,098)	\$ 33,510

General Fund
County Engineer
Budgetary Comparison Schedule
For the Year Ended June 30, 2006

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local revenue	\$ 206,500	\$ 206,500	\$ 201,059	\$ (5,441)
Total revenues	<u>206,500</u>	<u>206,500</u>	<u>201,059</u>	<u>(5,441)</u>
Expenditures:				
Salaries	1,467,327	1,520,487	1,519,048	1,439
Other compensation	5,000	7,497	6,005	1,492
Fringe benefits	455,874	403,782	402,252	1,530
Supplies	39,450	27,092	26,920	172
Services	17,225	23,726	23,048	678
Professional and contracted services	67,500	134,951	134,200	751
Rent, utilities, and maintenance	155,500	102,040	101,906	134
Interdepartmental expenditures	79,100	73,038	73,038	---
Total expenditures	<u>2,286,976</u>	<u>2,292,613</u>	<u>2,286,417</u>	<u>6,196</u>
Excess (deficiency) of revenues over expenditures	<u>(2,080,476)</u>	<u>(2,086,113)</u>	<u>(2,085,358)</u>	<u>755</u>
Other Financing Sources (uses):				
Transfers in	<u>1,550,000</u>	<u>1,550,000</u>	<u>1,550,000</u>	<u>---</u>
Total other financing sources (uses)	<u>1,550,000</u>	<u>1,550,000</u>	<u>1,550,000</u>	<u>---</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ (530,476)</u>	<u>\$ (536,113)</u>	<u>\$ (535,358)</u>	<u>\$ 755</u>

General Fund
Emergency Services
Budgetary Comparison Schedule
For the Year Ended June 30, 2006

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local revenue	\$ 476,618	\$ 476,618	\$ 486,618	\$ 10,000
Total revenues	<u>476,618</u>	<u>476,618</u>	<u>486,618</u>	<u>10,000</u>
Expenditures:				
Salaries	---	2,139	2,138	1
Fringe benefits	---	488	485	3
Professional and contracted services	<u>1,320,657</u>	<u>1,291,324</u>	<u>1,290,329</u>	<u>995</u>
Total expenditures	<u>1,320,657</u>	<u>1,293,951</u>	<u>1,292,952</u>	<u>999</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ (844,039)</u>	<u>\$ (817,333)</u>	<u>\$ (806,334)</u>	<u>\$ 10,999</u>

General Fund
Environmental Improvement
Budgetary Comparison Schedule
For the Year Ended June 30, 2006

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local revenue	\$ 111,000	\$ 111,000	\$ 24,956	\$ (86,044)
Total revenues	<u>111,000</u>	<u>111,000</u>	<u>24,956</u>	<u>(86,044)</u>
Expenditures:				
Supplies	5,000	---	---	---
Services	---	165	165	---
Professional and contracted services	<u>111,000</u>	<u>24,791</u>	<u>24,791</u>	<u>---</u>
Total expenditures	<u>116,000</u>	<u>24,956</u>	<u>24,956</u>	<u>---</u>
Excess (deficiency) of revenues over expenditures	<u>(5,000)</u>	<u>86,044</u>	<u>---</u>	<u>(86,044)</u>
Other Financing Sources (uses):				
Transfers out	<u>(35,105)</u>	<u>(35,105)</u>	<u>(35,105)</u>	<u>---</u>
Total other financing sources (uses)	<u>(35,105)</u>	<u>(35,105)</u>	<u>(35,105)</u>	<u>---</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ (40,105)</u>	<u>\$ 50,939</u>	<u>\$ (35,105)</u>	<u>\$ (86,044)</u>

General Fund
Soil Conservation
Budgetary Comparison Schedule
For the Year Ended June 30, 2006

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Expenditures:				
Salaries	\$ 37,595	\$ 38,595	\$ 37,960	\$ 635
Fringe benefits	14,509	14,509	14,252	257
Supplies	2,600	2,600	2,364	236
Services	1,300	1,300	663	637
Professional and contracted services	3,000	3,000	2,825	175
Total expenditures	<u>59,004</u>	<u>60,004</u>	<u>58,064</u>	<u>1,940</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ (59,004)</u>	<u>\$ (60,004)</u>	<u>\$ (58,064)</u>	<u>\$ 1,940</u>

General Fund
Weights and Measures
Budgetary Comparison Schedule
For the Year Ended June 30, 2006

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Expenditures:				
Salaries	\$ 50,552	\$ 51,552	\$ 50,947	\$ 605
Fringe benefits	16,831	12,164	10,419	1,745
Supplies	3,374	1,650	1,297	353
Services	1,100	2,874	2,427	447
Professional and contracted services	200	250	250	---
Interdepartmental expenditures	4,050	3,950	3,657	293
Total expenditures	<u>76,107</u>	<u>72,440</u>	<u>68,997</u>	<u>3,443</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ (76,107)</u>	<u>\$ (72,440)</u>	<u>\$ (68,997)</u>	<u>\$ 3,443</u>

General Fund
Shelby Farms
Budgetary Comparison Schedule
For the Year Ended June 30, 2006

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local revenue	\$ 133,000	\$ 133,000	\$ 121,708	\$ (11,292)
Total revenues	133,000	133,000	121,708	(11,292)
Expenditures:				
Salaries	335,766	313,623	313,623	---
Other compensation	10,200	17,332	17,332	---
Fringe benefits	111,364	99,647	99,199	448
Supplies	21,301	18,364	18,348	16
Professional and contracted services	8,500	11,540	11,539	1
Rent, utilities, and maintenance	87,500	58,693	58,677	16
Interdepartmental expenditures	89,500	49,993	49,372	621
Asset acquisitions	20,000	8,150	8,150	---
Total expenditures	684,131	577,342	576,240	1,102
Excess (deficiency) of revenues over expenditures	(551,131)	(444,342)	(454,532)	(10,190)
Other Financing Sources (uses):				
Transfers out	(20,000)	(20,000)	---	20,000
Total other financing sources (uses)	(20,000)	(20,000)	---	20,000
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ (571,131)	\$ (464,342)	\$ (454,532)	\$ 9,810

General Fund
Agricultural Extension Service
Budgetary Comparison Schedule
For the Year Ended June 30, 2006

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local revenue	\$ 5,000	\$ 5,000	\$ 3,750	\$ (1,250)
Total revenues	5,000	5,000	3,750	(1,250)
Expenditures:				
Salaries	172,056	156,576	156,576	---
Other compensation	---	5,772	5,772	---
Fringe benefits	53,384	28,120	28,120	---
Supplies	650	---	---	---
Rent, utilities, and maintenance	27,252	70,861	68,854	2,007
Interdepartmental expenditures	300	300	158	142
Total expenditures	253,642	261,629	259,480	2,149
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ (248,642)	\$ (256,629)	\$ (255,730)	\$ 899

**General Fund
Conservation Board
Budgetary Comparison Schedule
For the Year Ended June 30, 2006**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local revenue	\$ 448,000	\$ 448,000	\$ 418,611	\$ (29,389)
Other revenue	1,000	1,000	2,945	1,945
Total revenues	<u>449,000</u>	<u>449,000</u>	<u>421,556</u>	<u>(27,444)</u>
Expenditures:				
Salaries	150,454	78,600	78,600	---
Fringe benefits	30,167	16,296	16,296	---
Supplies	53,250	43,177	43,177	---
Services	7,000	1,602	1,602	---
Professional and contracted services	200,500	186,661	186,045	616
Rent, utilities, and maintenance	125,200	191,136	189,453	1,683
Interdepartmental expenditures	<u>54,000</u>	<u>47,000</u>	<u>46,986</u>	<u>14</u>
Total expenditures	<u>620,571</u>	<u>564,472</u>	<u>562,159</u>	<u>2,313</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ (171,571)</u>	<u>\$ (115,472)</u>	<u>\$ (140,603)</u>	<u>\$ (25,131)</u>

General Fund
Port Commission
Budgetary Comparison Schedule
For the Year Ended June 30, 2006

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local revenue	\$ 700,000	\$ 700,000	\$ 133,336	\$ (566,664)
Other revenue	---	---	45,182	45,182
Total revenues	<u>700,000</u>	<u>700,000</u>	<u>178,518</u>	<u>(521,482)</u>
Expenditures:				
Supplies	413,682	451,730	451,730	---
Contingencies and restrictions	(371,966)	---	---	---
Total expenditures	<u>41,716</u>	<u>451,730</u>	<u>451,730</u>	<u>---</u>
Excess (deficiency) of revenues over expenditures	<u>658,284</u>	<u>248,270</u>	<u>(273,212)</u>	<u>(521,482)</u>
Other Financing Sources (uses):				
Transfers out	(658,284)	(248,270)	(248,270)	---
Total other financing sources (uses)	<u>(658,284)</u>	<u>(248,270)</u>	<u>(248,270)</u>	<u>---</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ (521,482)</u>	<u>\$ (521,482)</u>

General Fund
Support Services
Budgetary Comparison Schedule
For the Year Ended June 30, 2006

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local revenue	\$ 1,100,000	\$ 2,348,236	\$ 2,503,283	\$ 155,047
Other revenue	---	---	871	871
Total revenues	<u>1,100,000</u>	<u>2,348,236</u>	<u>2,504,154</u>	<u>155,918</u>
Expenditures:				
Salaries	4,561,718	4,676,125	4,674,845	1,280
Other compensation	98,703	41,559	26,624	14,935
Fringe benefits	1,379,682	1,352,177	1,347,752	4,425
Supplies	266,626	299,866	299,045	821
Services	3,100	15,738	15,485	253
Professional and contracted services	1,433,580	1,452,443	1,445,639	6,804
Rent, utilities, and maintenance	4,736,647	5,468,015	5,464,891	3,124
Interdepartmental expenditures	82,000	93,000	89,121	3,879
Asset acquisitions	---	138,609	138,609	---
Total expenditures	<u>12,562,056</u>	<u>13,537,532</u>	<u>13,502,011</u>	<u>35,521</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ (11,462,056)</u>	<u>\$ (11,189,296)</u>	<u>\$ (10,997,857)</u>	<u>\$ 191,439</u>

General Fund
Director - Health Services
Budgetary Comparison Schedule
For the Year Ended June 30, 2006

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Expenditures:				
Salaries	\$ 223,821	\$ 269,085	\$ 269,085	\$ ---
Fringe benefits	52,968	63,080	60,860	2,220
Total expenditures	<u>276,789</u>	<u>332,165</u>	<u>329,945</u>	<u>2,220</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ (276,789)</u>	<u>\$ (332,165)</u>	<u>\$ (329,945)</u>	<u>\$ 2,220</u>

General Fund
Forensic Services
Budgetary Comparison Schedule
For the Year Ended June 30, 2006

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local revenue	\$ 730,250	\$ 730,250	\$ 467,863	\$ (262,387)
Total revenues	730,250	730,250	467,863	(262,387)
Expenditures:				
Supplies	3,244	2,199	1,122	1,077
Services	223	774	774	---
Professional and contracted services	2,076,850	2,064,844	2,062,221	2,623
Rent, utilities, and maintenance	79,977	87,677	84,498	3,179
Interdepartmental expenditures	---	4,800	22	4,778
Total expenditures	2,160,294	2,160,294	2,148,637	11,657
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ (1,430,044)	\$ (1,430,044)	\$ (1,680,774)	\$ (250,730)

General Fund
Administration and Finance - Health Services
Budgetary Comparison Schedule
For the Year Ended June 30, 2006

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local revenue	\$ 11,144,393	\$ 11,359,393	\$ 11,143,704	\$ (215,689)
Patient service revenue	1,000	1,000	691	(309)
Other revenue	1,000	1,000	268	(732)
Total revenues	<u>11,146,393</u>	<u>11,361,393</u>	<u>11,144,663</u>	<u>(216,730)</u>
Expenditures:				
Salaries	3,837,813	3,872,164	3,872,164	---
Other compensation	60,540	54,522	51,590	2,932
Fringe benefits	524,251	444,357	443,913	444
Supplies	91,665	93,950	87,059	6,891
Services	28,240	41,203	40,320	883
Professional and contracted services	6,085,314	7,177,305	7,154,647	22,658
Rent, utilities, and maintenance	437,562	502,340	485,217	17,123
Interdepartmental expenditures	14,825	28,666	21,123	7,543
Asset acquisitions	18,000	226,831	159,114	67,717
Contingencies and restrictions	(174,969)	---	---	---
Total expenditures	<u>10,923,241</u>	<u>12,441,338</u>	<u>12,315,147</u>	<u>126,191</u>
Excess (deficiency) of revenues over expenditures	<u>223,152</u>	<u>(1,079,945)</u>	<u>(1,170,484)</u>	<u>(90,539)</u>
Other Financing Sources (uses):				
Transfers in	2,223,812	2,136,922	1,936,631	(200,291)
Transfers out	(282,000)	(56,250)	(53,700)	2,550
Total other financing sources (uses)	<u>1,941,812</u>	<u>2,080,672</u>	<u>1,882,931</u>	<u>(197,741)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ 2,164,964</u>	<u>\$ 1,000,727</u>	<u>\$ 712,447</u>	<u>\$ (288,280)</u>

General Fund
Environmental Health Services
Budgetary Comparison Schedule
For the Year Ended June 30, 2006

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local revenue	\$ 2,232,540	\$ 732,540	\$ 787,898	\$ 55,358
State revenue	1,037,790	1,037,790	908,362	(129,428)
Total revenues	<u>3,270,330</u>	<u>1,770,330</u>	<u>1,696,260</u>	<u>(74,070)</u>
Expenditures:				
Salaries	3,698,145	2,263,876	2,263,876	---
Other compensation	17,875	30,753	30,753	---
Fringe benefits	1,013,621	652,705	652,705	---
Supplies	267,272	93,639	21,991	71,648
Services	81,305	77,080	71,426	5,654
Professional and contracted services	117,286	44,509	38,206	6,303
Rent, utilities, and maintenance	104,711	104,534	45,027	59,507
Interdepartmental expenditures	52,638	59,325	43,712	15,613
Asset acquisitions	79,000	18,706	---	18,706
Total expenditures	<u>5,431,853</u>	<u>3,345,127</u>	<u>3,167,696</u>	<u>177,431</u>
Excess (deficiency) of revenues over expenditures	<u>(2,161,523)</u>	<u>(1,574,797)</u>	<u>(1,471,436)</u>	<u>103,361</u>
Other Financing Sources (uses):				
Transfers out	<u>(1,403,732)</u>	<u>(1,383,732)</u>	<u>(1,302,076)</u>	<u>81,656</u>
Total other financing sources (uses)	<u>(1,403,732)</u>	<u>(1,383,732)</u>	<u>(1,302,076)</u>	<u>81,656</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ (3,565,255)</u>	<u>\$ (2,958,529)</u>	<u>\$ (2,773,512)</u>	<u>\$ 185,017</u>

General Fund
Personal Health Services
Budgetary Comparison Schedule
For the Year Ended June 30, 2006

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local revenue	\$ 1,813,565	\$ 1,813,565	\$ 1,213,217	\$ (600,348)
State revenue	10,000	10,000	6,627	(3,373)
Patient service revenue	980,640	980,640	855,011	(125,629)
Total revenues	<u>2,804,205</u>	<u>2,804,205</u>	<u>2,074,855</u>	<u>(729,350)</u>
Expenditures:				
Salaries	3,700,867	3,408,451	3,407,640	811
Other compensation	41,510	38,129	34,771	3,358
Fringe benefits	1,052,414	984,536	961,608	22,928
Supplies	1,107,219	962,652	720,355	242,297
Services	142,307	119,015	83,380	35,635
Professional and contracted services	4,504,510	4,369,078	4,242,820	126,258
Rent, utilities, and maintenance	871,393	904,117	715,055	189,062
Interdepartmental expenditures	(37,500)	7,695	7,695	---
Asset acquisitions	16,000	4,788	4,638	150
Contingencies and restrictions	(649,564)	(649,564)	---	(649,564)
Total expenditures	<u>10,749,156</u>	<u>10,148,897</u>	<u>10,177,962</u>	<u>(29,065)</u>
Excess (deficiency) of revenues over expenditures	<u>(7,944,951)</u>	<u>(7,344,692)</u>	<u>(8,103,107)</u>	<u>(758,415)</u>
Other Financing Sources (uses):				
Transfers in	1,128,158	1,144,658	930,718	(213,940)
Transfers out	(421,544)	(421,544)	(421,544)	---
Total other financing sources (uses)	<u>706,614</u>	<u>723,114</u>	<u>509,174</u>	<u>(213,940)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ (7,238,337)</u>	<u>\$ (6,621,578)</u>	<u>\$ (7,593,933)</u>	<u>\$ (972,355)</u>

General Fund
Assessment and Assurance
Budgetary Comparison Schedule
For the Year Ended June 30, 2006

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local revenue	\$ 723,225	\$ 723,225	\$ 893,764	\$ 170,539
Total revenues	<u>723,225</u>	<u>723,225</u>	<u>893,764</u>	<u>170,539</u>
Expenditures:				
Salaries	841,739	779,464	779,464	---
Other compensation	13,640	13,139	13,139	---
Fringe benefits	268,239	233,011	227,783	5,228
Supplies	71,120	49,997	42,570	7,427
Services	19,413	17,413	16,629	784
Professional and contracted services	118,000	138,411	138,402	9
Rent, utilities, and maintenance	84,447	70,604	66,713	3,891
Asset acquisitions	2,500	---	---	---
Total expenditures	<u>1,419,098</u>	<u>1,302,039</u>	<u>1,284,700</u>	<u>17,339</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ (695,873)</u>	<u>\$ (578,814)</u>	<u>\$ (390,936)</u>	<u>\$ 187,878</u>

**General Fund
Director - Community Services
Budgetary Comparison Schedule
For the Year Ended June 30, 2006**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Expenditures:				
Salaries	\$ 199,733	\$ 170,783	\$ 152,695	\$ 18,088
Fringe benefits	47,253	47,253	33,969	13,284
Supplies	2,120	2,120	759	1,361
Services	1,500	1,500	307	1,193
Total expenditures	<u>250,606</u>	<u>221,656</u>	<u>187,730</u>	<u>33,926</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ (250,606)</u>	<u>\$ (221,656)</u>	<u>\$ (187,730)</u>	<u>\$ 33,926</u>

General Fund
Special Funded Projects
Budgetary Comparison Schedule
For the Year Ended June 30, 2006

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Expenditures:				
Services	\$ 325,000	\$ 325,000	\$ 318,100	\$ 6,900
Total expenditures	<u>325,000</u>	<u>325,000</u>	<u>318,100</u>	<u>6,900</u>
Excess (deficiency) of revenues over expenditures	<u>(325,000)</u>	<u>(325,000)</u>	<u>(318,100)</u>	<u>6,900</u>
Other Financing Sources (uses):				
Transfers in	325,000	325,000	318,050	(6,950)
Transfers out	<u>(143,906)</u>	<u>(143,906)</u>	<u>(143,906)</u>	<u>---</u>
Total other financing sources (uses)	<u>181,094</u>	<u>181,094</u>	<u>174,144</u>	<u>(6,950)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ (143,906)</u>	<u>\$ (143,906)</u>	<u>\$ (143,956)</u>	<u>\$ (50)</u>

General Fund
Crime Victims Center
Budgetary Comparison Schedule
For the Year Ended June 30, 2006

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Other revenue	\$ ---	\$ ---	\$ 2,173	\$ 2,173
Total revenues	---	---	2,173	2,173
Expenditures:				
Salaries	212,957	210,914	205,134	5,780
Fringe benefits	47,748	47,748	47,590	158
Supplies	12,684	10,784	6,707	4,077
Services	15,450	17,350	15,619	1,731
Total expenditures	288,839	286,796	275,050	11,746
Excess (deficiency) of revenues over expenditures	(288,839)	(286,796)	(272,877)	13,919
Other Financing Sources (uses):				
Transfers in	---	810	---	(810)
Transfers out	(77,639)	(77,639)	(65,091)	12,548
Total other financing sources (uses)	(77,639)	(76,829)	(65,091)	11,738
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ (366,478)	\$ (363,625)	\$ (337,968)	\$ 25,657

General Fund
Office on Aging
Budgetary Comparison Schedule
For the Year Ended June 30, 2006

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Expenditures:				
Salaries	\$ 45,006	\$ 45,116	\$ 45,116	\$ ---
Fringe benefits	18,884	18,774	18,511	263
Supplies	---	779	779	---
Services	1,000	1,000	862	138
Rent, utilities, and maintenance	1,800	1,800	1,800	---
Total expenditures	<u>66,690</u>	<u>67,469</u>	<u>67,068</u>	<u>401</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ (66,690)</u>	<u>\$ (67,469)</u>	<u>\$ (67,068)</u>	<u>\$ 401</u>

General Fund
Pretrial Services
Budgetary Comparison Schedule
For the Year Ended June 30, 2006

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local revenue	\$ 400,000	\$ 400,000	\$ 412,322	\$ 12,322
Total revenues	400,000	400,000	412,322	12,322
Expenditures:				
Salaries	2,264,398	2,081,093	2,081,093	---
Other compensation	5,100	16,572	16,572	---
Fringe benefits	706,503	691,491	628,580	62,911
Supplies	29,567	25,793	22,300	3,493
Services	4,250	4,003	3,709	294
Professional and contracted services	2,194	99,943	51,713	48,230
Rent, utilities, and maintenance	12,900	19,646	19,646	---
Total expenditures	3,024,912	2,938,541	2,823,613	114,928
Excess (deficiency) of revenues over expenditures	(2,624,912)	(2,538,541)	(2,411,291)	127,250
Other Financing Sources (uses):				
Transfers out	(26,253)	(25,000)	(23,383)	1,617
Total other financing sources (uses)	(26,253)	(25,000)	(23,383)	1,617
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ (2,651,165)	\$ (2,563,541)	\$ (2,434,674)	\$ 128,867

**Budgetary Comparison Schedule
For the Year Ended June 30, 2006**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local revenue	\$ 635,000	\$ 797,208	\$ 1,145,449	\$ 348,241
State revenue	1,565,000	1,845,504	1,871,399	25,895
Elected officials' fines and fees	1,336,000	1,336,000	1,283,190	(52,810)
Other revenue	133,000	133,000	124,571	(8,429)
Total revenues	<u>3,669,000</u>	<u>4,111,712</u>	<u>4,424,609</u>	<u>312,897</u>
Expenditures:				
Salaries	80,963,060	77,594,048	77,551,210	42,838
Other compensation	6,754,510	8,339,070	8,325,489	13,581
Fringe benefits	26,976,068	24,109,457	23,964,249	145,208
Supplies	5,569,649	6,326,883	6,203,098	123,785
Services	1,092,134	1,045,225	988,368	56,857
Professional and contracted services	6,838,571	6,762,328	6,748,744	13,584
Rent, utilities, and maintenance	4,313,126	3,767,742	3,704,194	63,548
Interdepartmental expenditures	(714,606)	(611,606)	(472,857)	(138,749)
Asset acquisitions	1,932,400	1,613,425	1,613,425	---
Total expenditures	<u>133,724,912</u>	<u>128,946,572</u>	<u>128,625,920</u>	<u>320,652</u>
Excess (deficiency) of revenues over expenditures	<u>(130,055,912)</u>	<u>(124,834,860)</u>	<u>(124,201,311)</u>	<u>633,549</u>
Other Financing Sources (uses):				
Transfers out	---	(6,667)	(4,800)	1,867
Total other financing sources (uses)	<u>---</u>	<u>(6,667)</u>	<u>(4,800)</u>	<u>1,867</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ (130,055,912)</u>	<u>\$ (124,841,527)</u>	<u>\$ (124,206,111)</u>	<u>\$ 635,416</u>

General Fund
Chancery Court Judges
Budgetary Comparison Schedule
For the Year Ended June 30, 2006

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Expenditures:				
Salaries	\$ 45,381	\$ 40,961	\$ 33,662	\$ 7,299
Fringe benefits	4,279	4,279	3,208	1,071
Total expenditures	<u>49,660</u>	<u>45,240</u>	<u>36,870</u>	<u>8,370</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ (49,660)</u>	<u>\$ (45,240)</u>	<u>\$ (36,870)</u>	<u>\$ 8,370</u>

General Fund
Circuit Court Judges
Budgetary Comparison Schedule
For the Year Ended June 30, 2006

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Expenditures:				
Salaries	\$ 107,865	\$ 105,358	\$ 103,320	\$ 2,038
Fringe benefits	10,171	10,171	9,847	324
Total expenditures	<u>118,036</u>	<u>115,529</u>	<u>113,167</u>	<u>2,362</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ (118,036)</u>	<u>\$ (115,529)</u>	<u>\$ (113,167)</u>	<u>\$ 2,362</u>

General Fund
Criminal Court Judges
Budgetary Comparison Schedule
For the Year Ended June 30, 2006

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Expenditures:				
Salaries	\$ 63,708	\$ 51,042	\$ 38,572	\$ 12,470
Fringe benefits	6,007	6,007	3,656	2,351
Total expenditures	<u>69,715</u>	<u>57,049</u>	<u>42,228</u>	<u>14,821</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ (69,715)</u>	<u>\$ (57,049)</u>	<u>\$ (42,228)</u>	<u>\$ 14,821</u>

General Fund
General Sessions Civil Court Judges
Budgetary Comparison Schedule
For the Year Ended June 30, 2006

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Elected officials' fines and fees	\$ 288,000	\$ 288,000	\$ 325,633	\$ 37,633
Total revenues	<u>288,000</u>	<u>288,000</u>	<u>325,633</u>	<u>37,633</u>
Expenditures:				
Salaries	782,650	782,850	782,831	19
Fringe benefits	172,987	172,787	171,009	1,778
Supplies	15,135	18,585	15,830	2,755
Services	19,833	16,383	11,721	4,662
Rent, utilities, and maintenance	6,250	6,250	5,436	814
Total expenditures	<u>996,855</u>	<u>996,855</u>	<u>986,827</u>	<u>10,028</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ (708,855)</u>	<u>\$ (708,855)</u>	<u>\$ (661,194)</u>	<u>\$ 47,661</u>

General Fund
General Sessions Criminal Court Judges
Budgetary Comparison Schedule
For the Year Ended June 30, 2006

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local revenue	\$ 75,000	\$ 75,000	\$ ---	\$ (75,000)
State revenue	75,000	75,000	45,000	(30,000)
Elected officials' fines and fees	475,000	475,000	424,830	(50,170)
Total revenues	<u>625,000</u>	<u>625,000</u>	<u>469,830</u>	<u>(155,170)</u>
Expenditures:				
Salaries	1,901,519	1,887,649	1,880,357	7,292
Other compensation	---	5,452	5,452	---
Fringe benefits	435,216	450,134	450,133	1
Supplies	51,550	52,400	52,041	359
Services	33,500	29,159	28,436	723
Professional and contracted services	347,784	317,990	317,990	---
Rent, utilities, and maintenance	17,200	16,083	13,524	2,559
Total expenditures	<u>2,786,769</u>	<u>2,758,867</u>	<u>2,747,933</u>	<u>10,934</u>
Excess (deficiency) of revenues over expenditures	<u>(2,161,769)</u>	<u>(2,133,867)</u>	<u>(2,278,103)</u>	<u>(144,236)</u>
Other Financing Sources (uses):				
Transfers in	50,000	---	---	---
Transfers out	---	(3,962)	(3,923)	39
Total other financing sources (uses)	<u>50,000</u>	<u>(3,962)</u>	<u>(3,923)</u>	<u>39</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ (2,111,769)</u>	<u>\$ (2,137,829)</u>	<u>\$ (2,282,026)</u>	<u>\$ (144,197)</u>

General Fund
Probate Court Judges
Budgetary Comparison Schedule
For the Year Ended June 30, 2006

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Expenditures:				
Salaries	\$ 306,359	\$ 320,509	\$ 320,509	\$ ---
Fringe benefits	77,330	77,696	77,696	---
Total expenditures	<u>383,689</u>	<u>398,205</u>	<u>398,205</u>	<u>---</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ (383,689)</u>	<u>\$ (398,205)</u>	<u>\$ (398,205)</u>	<u>\$ ---</u>

General Fund
Chancery Court Clerk
Budgetary Comparison Schedule
For the Year Ended June 30, 2006

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Elected officials' fines and fees	\$ 3,100,000	\$ 3,942,926	\$ 3,942,927	\$ 1
Other revenue	75,000	75,000	197,247	122,247
Total revenues	<u>3,175,000</u>	<u>4,017,926</u>	<u>4,140,174</u>	<u>122,248</u>
Expenditures:				
Salaries	900,189	869,154	869,154	---
Fringe benefits	256,760	256,750	236,429	20,321
Supplies	50,750	50,750	35,682	15,068
Services	18,450	18,450	12,707	5,743
Professional and contracted services	1,500	1,500	1,050	450
Rent, utilities, and maintenance	92,500	94,000	79,404	14,596
Asset acquisitions	16,500	16,500	---	16,500
Total expenditures	<u>1,336,649</u>	<u>1,307,104</u>	<u>1,234,426</u>	<u>72,678</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ 1,838,351</u>	<u>\$ 2,710,822</u>	<u>\$ 2,905,748</u>	<u>\$ 194,926</u>

General Fund
Circuit Court Clerk
Budgetary Comparison Schedule
For the Year Ended June 30, 2006

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Elected officials' fines and fees	\$ 1,744,580	\$ 2,122,682	\$ 2,122,683	\$ 1
Other revenue	100,000	100,000	221,311	121,311
Total revenues	<u>1,844,580</u>	<u>2,222,682</u>	<u>2,343,994</u>	<u>121,312</u>
Expenditures:				
Salaries	1,793,072	1,772,418	1,772,418	---
Other compensation	5,771	5,461	59	5,402
Fringe benefits	485,550	485,550	457,160	28,390
Supplies	104,700	114,500	91,619	22,881
Services	31,300	31,750	21,776	9,974
Professional and contracted services	1,100	6,486	6,483	3
Rent, utilities, and maintenance	151,804	138,304	122,672	15,632
Asset acquisitions	5,800	---	---	---
Total expenditures	<u>2,579,097</u>	<u>2,554,469</u>	<u>2,472,187</u>	<u>82,282</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ (734,517)</u>	<u>\$ (331,787)</u>	<u>\$ (128,193)</u>	<u>\$ 203,594</u>

General Fund
Criminal Court Clerk
Budgetary Comparison Schedule
For the Year Ended June 30, 2006

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Elected officials' fines and fees	\$ 4,413,500	\$ 5,689,500	\$ 5,689,706	\$ 206
Other revenue	15,000	15,000	67,938	52,938
Total revenues	<u>4,428,500</u>	<u>5,704,500</u>	<u>5,757,644</u>	<u>53,144</u>
Expenditures:				
Salaries	3,416,631	3,319,208	3,251,970	67,238
Other compensation	12,000	12,000	1,326	10,674
Fringe benefits	1,023,322	1,023,322	924,861	98,461
Supplies	124,787	144,787	119,116	25,671
Services	47,420	55,220	54,860	360
Professional and contracted services	2,900	2,900	1,418	1,482
Rent, utilities, and maintenance	122,391	114,591	96,182	18,409
Interdepartmental expenditures	3,250	3,250	579	2,671
Asset acquisitions	20,000	---	---	---
Total expenditures	<u>4,772,701</u>	<u>4,675,278</u>	<u>4,450,312</u>	<u>224,966</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ (344,201)</u>	<u>\$ 1,029,222</u>	<u>\$ 1,307,332</u>	<u>\$ 278,110</u>

General Fund
General Sessions Court Clerk
Budgetary Comparison Schedule
For the Year Ended June 30, 2006

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Elected officials' fines and fees	\$ 7,421,432	\$ 7,714,982	\$ 7,805,157	\$ 90,175
Other revenue	89,000	89,000	283,616	194,616
Total revenues	<u>7,510,432</u>	<u>7,803,982</u>	<u>8,088,773</u>	<u>284,791</u>
Expenditures:				
Salaries	4,794,175	4,700,359	4,700,359	---
Other compensation	96,471	61,597	40,539	21,058
Fringe benefits	1,496,941	1,466,941	1,408,303	58,638
Supplies	244,938	295,138	232,202	62,936
Services	256,090	222,489	139,946	82,543
Professional and contracted services	40,500	40,500	32,344	8,156
Rent, utilities, and maintenance	224,192	222,508	142,284	80,224
Interdepartmental expenditures	3,889	3,889	1,998	1,891
Asset acquisitions	32,284	16,084	---	16,084
Total expenditures	<u>7,189,480</u>	<u>7,029,505</u>	<u>6,697,975</u>	<u>331,530</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ 320,952</u>	<u>\$ 774,477</u>	<u>\$ 1,390,798</u>	<u>\$ 616,321</u>

General Fund
Probate Court Clerk
Budgetary Comparison Schedule
For the Year Ended June 30, 2006

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Elected officials' fines and fees	\$ 500,000	\$ 500,000	\$ 574,197	\$ 74,197
Total revenues	500,000	500,000	574,197	74,197
Expenditures:				
Salaries	381,771	387,177	385,210	1,967
Fringe benefits	113,588	116,466	116,466	---
Supplies	31,045	30,450	29,193	1,257
Services	9,500	9,700	9,548	152
Professional and contracted services	2,500	1,660	1,660	---
Rent, utilities, and maintenance	14,500	17,735	17,734	1
Asset acquisitions	2,000	---	---	---
Total expenditures	554,904	563,188	559,811	3,377
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ (54,904)	\$ (63,188)	\$ 14,386	\$ 77,574

General Fund
Juvenile Court Clerk
Budgetary Comparison Schedule
For the Year Ended June 30, 2006

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ 725,000	\$ 725,000	\$ 588,626	\$ (136,374)
Elected officials' fines and fees	525,000	525,000	684,053	159,053
Total revenues	<u>1,250,000</u>	<u>1,250,000</u>	<u>1,272,679</u>	<u>22,679</u>
Expenditures:				
Salaries	2,723,173	2,724,782	2,625,335	99,447
Other compensation	31,042	31,042	29,597	1,445
Fringe benefits	847,945	848,296	793,301	54,995
Supplies	153,150	150,076	114,294	35,782
Services	83,750	77,050	46,728	30,322
Professional and contracted services	131,000	135,821	131,474	4,347
Rent, utilities, and maintenance	48,000	39,660	22,276	17,384
Interdepartmental expenditures	4,500	15,962	15,486	476
Total expenditures	<u>4,022,560</u>	<u>4,022,689</u>	<u>3,778,491</u>	<u>244,198</u>
Excess (deficiency) of revenues over expenditures	<u>(2,772,560)</u>	<u>(2,772,689)</u>	<u>(2,505,812)</u>	<u>266,877</u>
Other Financing Sources (uses):				
Transfers in	95,008	82,146	42,880	(39,266)
Transfers out	<u>(249,284)</u>	<u>(247,836)</u>	<u>(155,875)</u>	<u>91,961</u>
Total other financing sources (uses)	<u>(154,276)</u>	<u>(165,690)</u>	<u>(112,995)</u>	<u>52,695</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ (2,926,836)</u>	<u>\$ (2,938,379)</u>	<u>\$ (2,618,807)</u>	<u>\$ 319,572</u>

General Fund
Juvenile Court
Budgetary Comparison Schedule
For the Year Ended June 30, 2006

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local revenue	\$ 218,600	\$ 218,600	\$ 236,040	\$ 17,440
Other revenue	6,000	6,000	4,539	(1,461)
Total revenues	<u>224,600</u>	<u>224,600</u>	<u>240,579</u>	<u>15,979</u>
Expenditures:				
Salaries	8,245,221	8,237,052	8,222,357	14,695
Other compensation	25,000	64,134	64,134	---
Fringe benefits	2,522,852	2,400,860	2,320,156	80,704
Supplies	543,103	579,337	574,450	4,887
Services	62,661	47,866	39,063	8,803
Professional and contracted services	1,129,437	996,561	970,168	26,393
Rent, utilities, and maintenance	908,763	932,977	925,086	7,891
Interdepartmental expenditures	9,000	13,000	11,614	1,386
Asset acquisitions	---	52,223	41,641	10,582
Contingencies and restrictions	(20,000)	---	---	---
Total expenditures	<u>13,426,037</u>	<u>13,324,010</u>	<u>13,168,669</u>	<u>155,341</u>
Excess (deficiency) of revenues over expenditures	<u>(13,201,437)</u>	<u>(13,099,410)</u>	<u>(12,928,090)</u>	<u>171,320</u>
Other Financing Sources (uses):				
Transfers in	1,505,267	1,511,684	1,491,429	(20,255)
Transfers out	(31,211)	(50,891)	(21,430)	29,461
Total other financing sources (uses)	<u>1,474,056</u>	<u>1,460,793</u>	<u>1,469,999</u>	<u>9,206</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ (11,727,381)</u>	<u>\$ (11,638,617)</u>	<u>\$ (11,458,091)</u>	<u>\$ 180,526</u>

General Fund
Public Defender
Budgetary Comparison Schedule
For the Year Ended June 30, 2006

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ 2,840,400	\$ 2,840,400	\$ 2,906,100	\$ 65,700
Elected officials' fines and fees	269,050	269,050	205,645	(63,405)
Total revenues	<u>3,109,450</u>	<u>3,109,450</u>	<u>3,111,745</u>	<u>2,295</u>
Expenditures:				
Salaries	5,568,950	5,584,691	5,381,813	202,878
Other compensation	---	7,292	7,292	---
Fringe benefits	1,399,251	1,443,115	1,346,582	96,533
Supplies	63,500	90,500	79,505	10,995
Services	19,100	24,100	17,127	6,973
Professional and contracted services	66,000	61,000	13,621	47,379
Rent, utilities, and maintenance	9,500	9,500	7,343	2,157
Interdepartmental expenditures	16,000	16,000	10,460	5,540
Asset acquisitions	33,814	6,814	---	6,814
Total expenditures	<u>7,176,115</u>	<u>7,243,012</u>	<u>6,863,743</u>	<u>379,269</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ (4,066,665)</u>	<u>\$ (4,133,562)</u>	<u>\$ (3,751,998)</u>	<u>\$ 381,564</u>

General Fund
Divorce Referee
Budgetary Comparison Schedule
For the Year Ended June 30, 2006

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local revenue	\$ 325,000	\$ 325,000	\$ 315,974	\$ (9,026)
Total revenues	<u>325,000</u>	<u>325,000</u>	<u>315,974</u>	<u>(9,026)</u>
Expenditures:				
Salaries	243,419	307,304	307,281	23
Fringe benefits	109,348	107,848	105,290	2,558
Supplies	1,700	1,628	1,358	270
Services	---	72	---	72
Total expenditures	<u>354,467</u>	<u>416,852</u>	<u>413,929</u>	<u>2,923</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ (29,467)</u>	<u>\$ (91,852)</u>	<u>\$ (97,955)</u>	<u>\$ (6,103)</u>

General Fund
Jury Commission
Budgetary Comparison Schedule
For the Year Ended June 30, 2006

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Expenditures:				
Salaries	\$ 196,102	\$ 201,406	\$ 201,358	\$ 48
Fringe benefits	61,231	60,928	60,458	470
Supplies	2,500	2,500	1,130	1,370
Services	496,704	496,704	449,965	46,739
Professional and contracted services	7,550	7,550	6,208	1,342
Rent, utilities, and maintenance	270	270	---	270
Total expenditures	<u>764,357</u>	<u>769,358</u>	<u>719,119</u>	<u>50,239</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ (764,357)</u>	<u>\$ (769,358)</u>	<u>\$ (719,119)</u>	<u>\$ 50,239</u>

General Fund
Attorney General
Budgetary Comparison Schedule
For the Year Ended June 30, 2006

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local revenue	\$ 30,000	\$ 82,228	\$ 82,560	\$ 332
State revenue	35,041	35,041	27,403	(7,638)
Federal revenue	10,000	10,000	29,756	19,756
Total revenues	<u>75,041</u>	<u>127,269</u>	<u>139,719</u>	<u>12,450</u>
Expenditures:				
Salaries	4,761,404	4,927,555	4,927,555	---
Other compensation	---	33,695	33,695	---
Fringe benefits	1,301,342	1,321,612	1,321,612	---
Supplies	159,827	144,151	144,151	---
Services	43,125	60,826	60,826	---
Professional and contracted services	36,399	29,827	29,827	---
Rent, utilities, and maintenance	109,829	139,712	139,712	---
Interdepartmental expenditures	39,500	28,384	28,384	---
Total expenditures	<u>6,451,426</u>	<u>6,685,762</u>	<u>6,685,762</u>	<u>---</u>
Excess (deficiency) of revenues over expenditures	<u>(6,376,385)</u>	<u>(6,558,493)</u>	<u>(6,546,043)</u>	<u>12,450</u>
Other Financing Sources (uses):				
Transfers out	<u>(2,681)</u>	<u>(2,681)</u>	<u>(2,681)</u>	<u>---</u>
Total other financing sources (uses)	<u>(2,681)</u>	<u>(2,681)</u>	<u>(2,681)</u>	<u>---</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ (6,379,066)</u>	<u>\$ (6,561,174)</u>	<u>\$ (6,548,724)</u>	<u>\$ 12,450</u>

General Fund
Commissioner's Contingency
Budgetary Comparison Schedule
For the Year Ended June 30, 2006

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Expenditures:				
Salaries	\$ (5,703,483)	\$ ---	\$ ---	\$ ---
Contingencies and restrictions	500,000	---	---	---
Total expenditures	<u>(5,203,483)</u>	<u>---</u>	<u>---</u>	<u>---</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ 5,203,483</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>

General Fund
Legislative Operations
Budgetary Comparison Schedule
For the Year Ended June 30, 2006

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local revenue	\$ 5,500	\$ 5,500	\$ 4,311	\$ (1,189)
Total revenues	<u>5,500</u>	<u>5,500</u>	<u>4,311</u>	<u>(1,189)</u>
Expenditures:				
Salaries	664,269	764,269	751,360	12,909
Other compensation	391,300	358,362	336,514	21,848
Fringe benefits	245,016	277,954	277,954	---
Supplies	65,650	65,650	45,830	19,820
Services	45,800	45,800	18,313	27,487
Professional and contracted services	100,000	113,139	47,003	66,136
Rent, utilities, and maintenance	15,500	15,500	12,574	2,926
Asset acquisitions	12,013	21,727	14,714	7,013
Total expenditures	<u>1,539,548</u>	<u>1,662,401</u>	<u>1,504,262</u>	<u>158,139</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ (1,534,048)</u>	<u>\$ (1,656,901)</u>	<u>\$ (1,499,951)</u>	<u>\$ 156,950</u>

General Fund
Equal Opportunity Compliance
Budgetary Comparison Schedule
For the Year Ended June 30, 2006

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Expenditures:				
Salaries	\$ 514,816	\$ 499,816	\$ 492,908	\$ 6,908
Fringe benefits	140,342	140,342	131,643	8,699
Supplies	23,500	23,800	23,530	270
Services	39,950	39,650	14,610	25,040
Professional and contracted services	---	28,050	16,504	11,546
Rent, utilities, and maintenance	4,300	4,300	3,425	875
Asset acquisitions	2,000	2,000	---	2,000
Total expenditures	<u>724,908</u>	<u>737,958</u>	<u>682,620</u>	<u>55,338</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ (724,908)</u>	<u>\$ (737,958)</u>	<u>\$ (682,620)</u>	<u>\$ 55,338</u>

**Budgetary Comparison Schedule
For the Year Ended June 30, 2006**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local revenue	\$ 2,005,000	\$ 2,005,000	\$ 2,379,131	\$ 374,131
State revenue	274,000	274,000	327,692	53,692
Total revenues	<u>2,279,000</u>	<u>2,279,000</u>	<u>2,706,823</u>	<u>427,823</u>
Expenditures:				
Salaries	6,575,388	6,515,716	6,378,596	137,120
Other compensation	82,700	86,158	43,740	42,418
Fringe benefits	1,848,490	1,845,032	1,774,680	70,352
Supplies	237,500	220,711	198,098	22,613
Services	120,500	135,300	127,888	7,412
Professional and contracted services	505,000	352,147	351,334	813
Rent, utilities, and maintenance	310,400	310,717	295,447	15,270
Interdepartmental expenditures	2,500	2,500	498	2,002
Asset acquisitions	105,000	---	---	---
Total expenditures	<u>9,787,478</u>	<u>9,468,281</u>	<u>9,170,281</u>	<u>298,000</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ (7,508,478)</u>	<u>\$ (7,189,281)</u>	<u>\$ (6,463,458)</u>	<u>\$ 725,823</u>

General Fund
County Clerk
Budgetary Comparison Schedule
For the Year Ended June 30, 2006

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Elected officials' fines and fees	\$ 8,615,750	\$ 8,720,750	\$ 8,822,515	\$ 101,765
Other revenue	154,000	654,579	686,442	31,863
Total revenues	<u>8,769,750</u>	<u>9,375,329</u>	<u>9,508,957</u>	<u>133,628</u>
Expenditures:				
Salaries	2,940,755	2,993,173	2,966,808	26,365
Other compensation	26,472	29,572	29,524	48
Fringe benefits	950,500	997,087	961,870	35,217
Supplies	304,199	399,199	340,644	58,555
Services	169,243	46,143	32,906	13,237
Professional and contracted services	9,500	10,600	9,365	1,235
Rent, utilities, and maintenance	175,021	173,321	144,348	28,973
Interdepartmental expenditures	4,781	13,481	13,354	127
Asset acquisitions	18,320	19,320	---	19,320
Total expenditures	<u>4,598,791</u>	<u>4,681,896</u>	<u>4,498,819</u>	<u>183,077</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ 4,170,959</u>	<u>\$ 4,693,433</u>	<u>\$ 5,010,138</u>	<u>\$ 316,705</u>

General Fund
Register
Budgetary Comparison Schedule
For the Year Ended June 30, 2006

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local revenue	\$ 35,000	\$ 35,000	\$ 33	\$ (34,967)
Elected officials' fines and fees	6,267,500	6,788,711	6,788,711	---
Other revenue	32,500	32,500	96,722	64,222
Total revenues	<u>6,335,000</u>	<u>6,856,211</u>	<u>6,885,466</u>	<u>29,255</u>
Expenditures:				
Salaries	1,341,736	1,290,874	1,275,364	15,510
Other compensation	15,000	96,526	44,837	51,689
Fringe benefits	418,882	399,873	371,829	28,044
Supplies	104,454	63,192	57,062	6,130
Services	20,700	15,780	13,688	2,092
Professional and contracted services	46,800	29,607	3,843	25,764
Rent, utilities, and maintenance	59,800	47,400	46,868	532
Interdepartmental expenditures	(69,000)	(26,100)	(39,885)	13,785
Asset acquisitions	5,600	1,710	---	1,710
Total expenditures	<u>1,943,972</u>	<u>1,918,862</u>	<u>1,773,606</u>	<u>145,256</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ 4,391,028</u>	<u>\$ 4,937,349</u>	<u>\$ 5,111,860</u>	<u>\$ 174,511</u>

Budgetary Comparison Schedule
For the Year Ended June 30, 2006

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local revenue	\$ 70,000	\$ 70,000	\$ 99,828	\$ 29,828
Elected officials' fines and fees	19,590,000	19,590,000	19,496,045	(93,955)
Other revenue	140,000	1,305,774	1,305,774	---
Total revenues	<u>19,800,000</u>	<u>20,965,774</u>	<u>20,901,647</u>	<u>(64,127)</u>
Expenditures:				
Salaries	3,454,964	3,385,078	3,385,078	---
Other compensation	40,127	48,094	48,094	---
Fringe benefits	882,292	860,802	860,802	---
Supplies	856,913	320,549	320,549	---
Services	220,539	307,851	307,851	---
Professional and contracted services	361,736	550,624	550,624	---
Rent, utilities, and maintenance	283,128	504,795	504,795	---
Interdepartmental expenditures	1,558	1,539	1,539	---
Asset acquisitions	248,066	409,766	409,766	---
Total expenditures	<u>6,349,323</u>	<u>6,389,098</u>	<u>6,389,098</u>	<u>---</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ 13,450,677</u>	<u>\$ 14,576,676</u>	<u>\$ 14,512,549</u>	<u>\$ (64,127)</u>

**Budgetary Comparison Schedule-Summary By Type
For the Year Ended June 30, 2006**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local revenue	\$ 12,136,272	\$ 12,297,688	\$ 6,072,062	\$ (6,225,626)
State revenue	67,969,297	80,574,321	63,446,872	(17,127,449)
Federal revenue	31,772,186	35,640,120	28,858,512	(6,781,608)
Patient service revenue	1,841,800	1,839,100	1,409,930	(429,170)
Other revenue	634,838	518,382	533,985	15,603
Total revenues	114,354,393	130,869,611	100,321,361	(30,548,250)
Expenditures:				
Salaries	41,312,464	39,993,802	35,678,508	4,315,294
Other compensation	262,253	985,518	734,705	250,813
Fringe benefits	11,432,828	12,690,542	10,937,545	1,752,997
Supplies	6,043,504	11,753,161	9,814,061	1,939,100
Services	7,516,848	8,640,360	2,750,515	5,889,845
Professional and contracted services	38,065,868	42,424,228	27,354,122	15,070,106
Rent, utilities, and maintenance	4,897,817	9,146,130	8,751,032	395,098
Interdepartmental expenditures	(59,213)	112,600	65,042	47,558
Intergovernmental expenditures	1,000	200	---	200
Asset acquisitions	5,169,721	5,606,052	2,620,208	2,985,844
Grants	---	1,500,000	---	1,500,000
Contingencies and restrictions	17,478	(13,371)	---	(13,371)
Total expenditures	114,660,568	132,839,222	98,705,738	34,133,484
Excess (deficiency) of revenues over expenditures	(306,175)	(1,969,611)	1,615,623	3,585,234
Other Financing Sources (uses):				
Transfers in	4,362,188	5,980,810	4,213,438	(1,767,372)
Transfers out	(5,417,772)	(5,372,958)	(4,238,192)	1,134,766
Planned change in fund balance	1,361,759	1,361,759	---	(1,361,759)
Total other financing sources (uses)	306,175	1,969,611	(24,754)	(1,994,365)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ ---	\$ ---	\$ 1,590,869	\$ 1,590,869

Budgetary Comparison Schedule-Summary By Department
For the Year Ended June 30, 2006

	Final Budget	Actual Amounts	Variance
Revenues:			
General Government			
Chief Administrative Officer	\$ 645,938	\$ 616,333	\$ (29,605)
Personnel	701,218	337,047	(364,171)
Finance	73,191	56,337	(16,854)
	<u>1,420,347</u>	<u>1,009,717</u>	<u>(410,630)</u>
Planning and Development			
Economic and Resource Management	2,317,600	426,485	(1,891,115)
Department of Housing	10,061,060	3,894,533	(6,166,527)
Department of Regional Services	6,718,827	1,735,112	(4,983,715)
	<u>19,097,487</u>	<u>6,056,130</u>	<u>(13,041,357)</u>
Public Works			
County Engineer	377,678	337,721	(39,957)
Emergency Services	14,570,881	9,893,507	(4,677,374)
Environmental Improvement	834,206	700,612	(133,594)
Chickasaw Basin Authority	87,772	60,725	(27,047)
Fire Department	460,194	63,517	(396,677)
Roads and Bridges	241,388	229,661	(11,727)
	<u>16,572,119</u>	<u>11,285,743</u>	<u>(5,286,376)</u>
Corrections			
Corrections Administration	654,229	429,062	(225,167)
	<u>654,229</u>	<u>429,062</u>	<u>(225,167)</u>
Health Services			
Administration and Finance - Health Services	917,800	917,800	---
Environmental Health Services	2,020,483	1,807,222	(213,261)
Personal Health Services	22,373,365	18,255,113	(4,118,252)
Assessment and Assurance	1,733,699	1,088,485	(645,214)
	<u>27,045,347</u>	<u>22,068,620</u>	<u>(4,976,727)</u>
Community Services			
Community Services Administration	10,651,220	10,281,721	(369,499)
Headstart	24,226,313	22,511,154	(1,715,159)
Crime Victims Center	404,412	320,986	(83,426)
Pretrial Services	239,469	198,721	(40,748)
Aging Commission of the Mid-South	8,147,500	5,850,598	(2,296,902)
	<u>43,668,914</u>	<u>39,163,180</u>	<u>(4,505,734)</u>
Law Enforcement			
Sheriff	1,476,366	694,378	(781,988)
	<u>1,476,366</u>	<u>694,378</u>	<u>(781,988)</u>
Judicial			
General Sessions Criminal Court Judges	250,936	250,273	(663)
Juvenile Court Clerk	440,895	302,580	(138,315)
Juvenile Court	19,324,120	18,211,939	(1,112,181)
Attorney General	918,851	849,739	(69,112)
	<u>20,934,802</u>	<u>19,614,531</u>	<u>(1,320,271)</u>
Total revenues	<u>130,869,611</u>	<u>100,321,361</u>	<u>(30,548,250)</u>
			(continued)

Budgetary Comparison Schedule-Summary By Department (continued)

For the Year Ended June 30, 2006

	Final Budget	Actual Amounts	Variance
Expenditures:			
General Government			
Chief Administrative Officer	\$ 645,938	\$ 616,333	\$ 29,605
Central Operations	1,500,000	---	1,500,000
Personnel	873,690	395,582	478,108
Finance	73,191	56,337	16,854
	<u>3,092,819</u>	<u>1,068,252</u>	<u>2,024,567</u>
Planning and Development			
Economic and Resource Management	2,317,600	426,485	1,891,115
Department of Housing	11,522,819	3,774,743	7,748,076
Department of Regional Services	7,075,782	1,864,384	5,211,398
	<u>20,916,201</u>	<u>6,065,612</u>	<u>14,850,589</u>
Public Works			
County Engineer	377,678	337,721	39,957
Emergency Services	14,570,881	9,893,507	4,677,374
Environmental Improvement	899,416	735,717	163,699
Chickasaw Basin Authority	52,602	25,555	27,047
Fire Department	633,420	66,739	566,681
Roads and Bridges	241,388	229,661	11,727
	<u>16,775,385</u>	<u>11,288,900</u>	<u>5,486,485</u>
Corrections			
Corrections Administration	629,339	432,172	197,167
	<u>629,339</u>	<u>432,172</u>	<u>197,167</u>
Health Services			
Environmental Health Services	3,027,662	2,748,471	279,191
Personal Health Services	21,598,177	17,628,606	3,969,571
Assessment and Assurance	1,713,343	1,080,257	633,086
	<u>26,339,182</u>	<u>21,457,334</u>	<u>4,881,848</u>
Community Services			
Community Services Administration	10,651,220	10,281,721	369,499
Headstart	24,226,313	22,511,154	1,715,159
Crime Victims Center	481,241	386,077	95,164
Pretrial Services	264,469	222,104	42,365
Aging Commission of the Mid-South	8,291,406	5,994,504	2,296,902
	<u>43,914,649</u>	<u>39,395,560</u>	<u>4,519,089</u>
Law Enforcement			
Sheriff	1,528,230	733,777	794,453
	<u>1,528,230</u>	<u>733,777</u>	<u>794,453</u>
Judicial			
General Sessions Criminal Court Judges	254,898	254,196	702
Juvenile Court Clerk	603,660	415,575	188,085
Juvenile Court	17,863,327	16,741,940	1,121,387
Attorney General	921,532	852,420	69,112
	<u>19,643,417</u>	<u>18,264,131</u>	<u>1,379,286</u>
Total expenditures	<u>132,839,222</u>	<u>98,705,738</u>	<u>34,133,484</u>
Excess (deficiency) of revenues over expenditures	<u>(1,969,611)</u>	<u>1,615,623</u>	<u>3,585,234</u>

(continued)

Budgetary Comparison Schedule-Summary By Department (continued)

For the Year Ended June 30, 2006

	Final Budget	Actual Amounts	Variance
Other Financing Sources and Uses:			
Transfers in			
Central Operations	\$ 1,500,000	\$ 1,500,000	\$ ---
Personnel	196,692	58,692	(138,000)
Department of Housing	344,209	26,405	(317,804)
Department of Regional Services	648,472	270,815	(377,657)
Environmental Improvement	65,210	35,105	(30,105)
Fire Department	173,226	3,222	(170,004)
Corrections Administration	8,110	3,110	(5,000)
Environmental Health Services	1,383,732	1,302,075	(81,657)
Personal Health Services	477,794	477,794	---
Community Services Administration	56,805	740	(56,065)
Crime Victims Center	77,639	65,091	(12,548)
Pretrial Services	25,000	23,383	(1,617)
Aging Commission of the Mid-South	669,612	223,698	(445,914)
Sheriff	51,864	39,399	(12,465)
General Sessions Criminal Court Judges	3,962	3,923	(39)
Juvenile Court Clerk	244,911	155,875	(89,036)
Juvenile Court	50,891	21,430	(29,461)
Attorney General	2,681	2,681	---
Total transfers in	<u>5,980,810</u>	<u>4,213,438</u>	<u>(1,767,372)</u>
Transfers out			
Personnel	(24,220)	(157)	24,063
Department of Housing	(244,209)	---	244,209
Department of Regional Services	(291,517)	(141,543)	149,974
Chickasaw Basin Authority	(35,170)	(35,170)	---
Corrections Administration	(33,000)	---	33,000
Administration and Finance - Health Services	(917,800)	(917,800)	---
Environmental Health Services	(376,553)	(360,826)	15,727
Personal Health Services	(1,252,982)	(1,104,301)	148,681
Assessment and Assurance	(20,356)	(8,228)	12,128
Community Services Administration	(56,805)	(56,066)	739
Crime Victims Center	(810)	---	810
Aging Commission of the Mid-South	(525,706)	(79,792)	445,914
Juvenile Court Clerk	(82,146)	(42,880)	39,266
Juvenile Court	(1,511,684)	(1,491,429)	20,255
Total transfers out	<u>(5,372,958)</u>	<u>(4,238,192)</u>	<u>1,134,766</u>
Planned change in fund balance			
Department of Housing	<u>1,361,759</u>	<u>---</u>	<u>(1,361,759)</u>
Total planned change in fund balance	<u>1,361,759</u>	<u>---</u>	<u>(1,361,759)</u>
Total other financing sources (uses)	<u>1,969,611</u>	<u>(24,754)</u>	<u>(1,994,365)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ ---</u>	<u>\$ 1,590,869</u>	<u>\$ 1,590,869</u>

Grants Fund
Chief Administrative Officer
Budgetary Comparison Schedule
For the Year Ended June 30, 2006

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ ---	\$ 12,726	\$ 12,727	\$ 1
Federal revenue	---	633,212	603,606	(29,606)
Total revenues	---	645,938	616,333	(29,605)
Expenditures:				
Professional and contracted services	---	645,938	616,333	29,605
Total expenditures	---	645,938	616,333	29,605
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ ---	\$ ---	\$ ---	\$ ---

Grants Fund
Central Operations
Budgetary Comparison Schedule
For the Year Ended June 30, 2006

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Expenditures:				
Grants	\$ ---	\$ 1,500,000	\$ ---	\$ 1,500,000
Total expenditures	---	1,500,000	---	1,500,000
Excess (deficiency) of revenues over expenditures	---	(1,500,000)	---	1,500,000
Other Financing Sources (uses):				
Transfers in	---	1,500,000	1,500,000	---
Total other financing sources (uses)	---	1,500,000	1,500,000	---
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ ---	\$ ---	\$ 1,500,000	\$ 1,500,000

Grants Fund
Personnel
Budgetary Comparison Schedule
For the Year Ended June 30, 2006

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Federal revenue	\$ 290,939	\$ 698,114	\$ 317,504	\$ (380,610)
Other revenue	---	3,104	19,543	16,439
Total revenues	<u>290,939</u>	<u>701,218</u>	<u>337,047</u>	<u>(364,171)</u>
Expenditures:				
Professional and contracted services	<u>359,688</u>	<u>873,690</u>	<u>395,582</u>	<u>478,108</u>
Total expenditures	<u>359,688</u>	<u>873,690</u>	<u>395,582</u>	<u>478,108</u>
Excess (deficiency) of revenues over expenditures	<u>(68,749)</u>	<u>(172,472)</u>	<u>(58,535)</u>	<u>113,937</u>
Other Financing Sources (uses):				
Transfers in	79,359	196,692	58,692	(138,000)
Transfers out	<u>(10,610)</u>	<u>(24,220)</u>	<u>(157)</u>	<u>24,063</u>
Total other financing sources (uses)	<u>68,749</u>	<u>172,472</u>	<u>58,535</u>	<u>(113,937)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>

**Budgetary Comparison Schedule
For the Year Ended June 30, 2006**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ ---	\$ 73,191	\$ 56,337	\$ (16,854)
Total revenues	---	73,191	56,337	(16,854)
Expenditures:				
Professional and contracted services	---	73,191	56,337	16,854
Total expenditures	---	73,191	56,337	16,854
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ ---	\$ ---	\$ ---	\$ ---

Grants Fund
Economic and Resource Management
Budgetary Comparison Schedule
For the Year Ended June 30, 2006

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local revenue	\$ 2,338,729	\$ 2,317,600	\$ 426,485	\$ (1,891,115)
Total revenues	<u>2,338,729</u>	<u>2,317,600</u>	<u>426,485</u>	<u>(1,891,115)</u>
Expenditures:				
Salaries	341,893	341,263	137,849	203,414
Other compensation	---	630	630	---
Fringe benefits	82,505	82,505	30,313	52,192
Supplies	18,105	14,705	5,923	8,782
Services	22,075	19,575	3,055	16,520
Professional and contracted services	1,857,161	1,841,427	234,884	1,606,543
Rent, utilities, and maintenance	16,990	17,495	13,831	3,664
Total expenditures	<u>2,338,729</u>	<u>2,317,600</u>	<u>426,485</u>	<u>1,891,115</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>

Grants Fund
Department of Housing
Budgetary Comparison Schedule
For the Year Ended June 30, 2006

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local revenue	\$ 695,021	\$ 699,696	\$ 257,521	\$ (442,175)
State revenue	2,511,403	2,511,403	37,098	(2,474,305)
Federal revenue	7,371,229	6,849,961	3,452,012	(3,397,949)
Other revenue	---	---	147,902	147,902
Total revenues	<u>10,577,653</u>	<u>10,061,060</u>	<u>3,894,533</u>	<u>(6,166,527)</u>
Expenditures:				
Salaries	484,399	484,399	401,652	82,747
Fringe benefits	162,495	162,495	127,473	35,022
Supplies	33,184	34,403	8,885	25,518
Services	4,073,785	4,073,785	112,446	3,961,339
Professional and contracted services	7,283,760	6,765,948	3,124,287	3,641,661
Rent, utilities, and maintenance	1,789	1,789	---	1,789
Total expenditures	<u>12,039,412</u>	<u>11,522,819</u>	<u>3,774,743</u>	<u>7,748,076</u>
Excess (deficiency) of revenues over expenditures	<u>(1,461,759)</u>	<u>(1,461,759)</u>	<u>119,790</u>	<u>1,581,549</u>
Other Financing Sources (uses):				
Transfers in	344,209	344,209	26,405	(317,804)
Transfers out	(244,209)	(244,209)	---	244,209
Planned change in fund balance	1,361,759	1,361,759	---	(1,361,759)
Total other financing sources (uses)	<u>1,461,759</u>	<u>1,461,759</u>	<u>26,405</u>	<u>(1,435,354)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ 146,195</u>	<u>\$ 146,195</u>

Grants Fund
Department of Regional Services
Budgetary Comparison Schedule
For the Year Ended June 30, 2006

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local revenue	\$ 53,750	\$ 53,750	\$ 53,750	\$ ---
State revenue	6,002,977	6,665,077	1,656,362	(5,008,715)
Federal revenue	---	---	25,000	25,000
Total revenues	<u>6,056,727</u>	<u>6,718,827</u>	<u>1,735,112</u>	<u>(4,983,715)</u>
Expenditures:				
Salaries	1,068,993	1,068,993	581,002	487,991
Fringe benefits	278,543	278,543	174,027	104,516
Supplies	113,292	131,684	36,435	95,249
Services	241,090	207,326	35,196	172,130
Professional and contracted services	4,610,564	5,282,725	1,009,450	4,273,275
Rent, utilities, and maintenance	39,200	39,200	13,077	26,123
Asset acquisitions	62,000	67,311	15,197	52,114
Total expenditures	<u>6,413,682</u>	<u>7,075,782</u>	<u>1,864,384</u>	<u>5,211,398</u>
Excess (deficiency) of revenues over expenditures	<u>(356,955)</u>	<u>(356,955)</u>	<u>(129,272)</u>	<u>227,683</u>
Other Financing Sources (uses):				
Transfers in	648,472	648,472	270,815	(377,657)
Transfers out	<u>(291,517)</u>	<u>(291,517)</u>	<u>(141,543)</u>	<u>149,974</u>
Total other financing sources (uses)	<u>356,955</u>	<u>356,955</u>	<u>129,272</u>	<u>(227,683)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>

Grants Fund
County Engineer
Budgetary Comparison Schedule
For the Year Ended June 30, 2006

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local revenue	\$ ---	\$ ---	\$ 12,662	\$ 12,662
State revenue	---	377,678	325,059	(52,619)
Total revenues	---	377,678	337,721	(39,957)
Expenditures:				
Professional and contracted services	---	377,678	337,721	39,957
Total expenditures	---	377,678	337,721	39,957
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ ---	\$ ---	\$ ---	\$ ---

Grants Fund
Emergency Services
Budgetary Comparison Schedule
For the Year Ended June 30, 2006

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local revenue	\$ 430,255	\$ ---	\$ ---	\$ ---
State revenue	8,578,278	14,570,881	9,893,507	(4,677,374)
Total revenues	<u>9,008,533</u>	<u>14,570,881</u>	<u>9,893,507</u>	<u>(4,677,374)</u>
Expenditures:				
Salaries	352,765	416,093	302,261	113,832
Other compensation	---	63,580	4,940	58,640
Fringe benefits	92,984	98,388	72,943	25,445
Supplies	3,170,527	6,416,363	6,416,363	---
Services	79,976	1,226,448	171,244	1,055,204
Professional and contracted services	290,000	2,048,642	501,847	1,546,795
Rent, utilities, and maintenance	---	285,493	281,110	4,383
Asset acquisitions	5,022,281	4,015,874	2,142,799	1,873,075
Total expenditures	<u>9,008,533</u>	<u>14,570,881</u>	<u>9,893,507</u>	<u>4,677,374</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>

Grants Fund
Environmental Improvement
Budgetary Comparison Schedule
For the Year Ended June 30, 2006

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local revenue	\$ 100,344	\$ 100,344	\$ 171,810	\$ 71,466
State revenue	722,968	733,862	528,802	(205,060)
Total revenues	<u>823,312</u>	<u>834,206</u>	<u>700,612</u>	<u>(133,594)</u>
Expenditures:				
Salaries	95,981	95,981	65,316	30,665
Fringe benefits	35,651	35,651	22,991	12,660
Supplies	1,652	1,652	111	1,541
Professional and contracted services	724,580	765,579	647,299	118,280
Interdepartmental expenditures	553	553	---	553
Total expenditures	<u>858,417</u>	<u>899,416</u>	<u>735,717</u>	<u>163,699</u>
Excess (deficiency) of revenues over expenditures	<u>(35,105)</u>	<u>(65,210)</u>	<u>(35,105)</u>	<u>30,105</u>
Other Financing Sources (uses):				
Transfers in	95,315	65,210	35,105	(30,105)
Transfers out	(60,210)	---	---	---
Total other financing sources (uses)	<u>35,105</u>	<u>65,210</u>	<u>35,105</u>	<u>(30,105)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>

Grants Fund
Chickasaw Basin Authority
Budgetary Comparison Schedule
For the Year Ended June 30, 2006

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Other revenue	\$ 87,772	\$ 87,772	\$ 60,725	\$ (27,047)
Total revenues	<u>87,772</u>	<u>87,772</u>	<u>60,725</u>	<u>(27,047)</u>
Expenditures:				
Supplies	6,810	6,810	4,705	2,105
Services	18,792	18,792	6,523	12,269
Professional and contracted services	22,000	14,000	1,529	12,471
Rent, utilities, and maintenance	<u>5,000</u>	<u>13,000</u>	<u>12,798</u>	<u>202</u>
Total expenditures	<u>52,602</u>	<u>52,602</u>	<u>25,555</u>	<u>27,047</u>
Excess (deficiency) of revenues over expenditures	<u>35,170</u>	<u>35,170</u>	<u>35,170</u>	<u>---</u>
Other Financing Sources (uses):				
Transfers out	<u>(35,170)</u>	<u>(35,170)</u>	<u>(35,170)</u>	<u>---</u>
Total other financing sources (uses)	<u>(35,170)</u>	<u>(35,170)</u>	<u>(35,170)</u>	<u>---</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>

Grants Fund
Fire Department
Budgetary Comparison Schedule
For the Year Ended June 30, 2006

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Federal revenue	\$ ---	\$ 460,194	\$ 63,517	\$ (396,677)
Total revenues	---	460,194	63,517	(396,677)
Expenditures:				
Supplies	---	139,760	61,079	78,681
Services	---	10,000	---	10,000
Rent, utilities, and maintenance	---	10,000	---	10,000
Asset acquisitions	---	473,660	5,660	468,000
Total expenditures	---	633,420	66,739	566,681
Excess (deficiency) of revenues over expenditures	---	(173,226)	(3,222)	170,004
Other Financing Sources (uses):				
Transfers in	---	173,226	3,222	(170,004)
Total other financing sources (uses)	---	173,226	3,222	(170,004)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ ---	\$ ---	\$ ---	\$ ---

Grants Fund
Roads and Bridges
Budgetary Comparison Schedule
For the Year Ended June 30, 2006

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ 260,452	\$ 241,388	\$ 229,661	\$ (11,727)
Total revenues	<u>260,452</u>	<u>241,388</u>	<u>229,661</u>	<u>(11,727)</u>
Expenditures:				
Salaries	179,146	161,711	159,012	2,699
Other compensation	---	11,043	5,271	5,772
Fringe benefits	64,678	52,006	50,362	1,644
Supplies	1,350	9,028	9,017	11
Services	1,800	2,000	399	1,601
Professional and contracted services	13,478	5,600	5,600	---
Total expenditures	<u>260,452</u>	<u>241,388</u>	<u>229,661</u>	<u>11,727</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>

Grants Fund
Corrections Administration
Budgetary Comparison Schedule
For the Year Ended June 30, 2006

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ 54,565	\$ 105,152	\$ 45,816	\$ (59,336)
Federal revenue	363,143	549,077	383,246	(165,831)
Total revenues	<u>417,708</u>	<u>654,229</u>	<u>429,062</u>	<u>(225,167)</u>
Expenditures:				
Salaries	59,390	131,325	70,552	60,773
Other compensation	---	560	558	2
Fringe benefits	17,023	41,415	21,552	19,863
Supplies	28,227	32,096	2,875	29,221
Services	8,231	9,431	1,727	7,704
Professional and contracted services	302,737	353,765	298,219	55,546
Rent, utilities, and maintenance	2,100	36,441	32,733	3,708
Interdepartmental expenditures	---	7,913	3,956	3,957
Asset acquisitions	---	16,393	---	16,393
Total expenditures	<u>417,708</u>	<u>629,339</u>	<u>432,172</u>	<u>197,167</u>
Excess (deficiency) of revenues over expenditures	<u>---</u>	<u>24,890</u>	<u>(3,110)</u>	<u>(28,000)</u>
Other Financing Sources (uses):				
Transfers in	---	8,110	3,110	(5,000)
Transfers out	---	(33,000)	---	33,000
Total other financing sources (uses)	<u>---</u>	<u>(24,890)</u>	<u>3,110</u>	<u>28,000</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>

Grants Fund
Administration and Finance - Health Services
Budgetary Comparison Schedule
For the Year Ended June 30, 2006

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ 917,800	\$ 917,800	\$ 917,800	\$ ---
Total revenues	917,800	917,800	917,800	---
Excess (deficiency) of revenues over expenditures	917,800	917,800	917,800	---
Other Financing Sources (uses):				
Transfers out	(917,800)	(917,800)	(917,800)	---
Total other financing sources (uses)	(917,800)	(917,800)	(917,800)	---
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ ---	\$ ---	\$ ---	\$ ---

Grants Fund
Environmental Health Services
Budgetary Comparison Schedule
For the Year Ended June 30, 2006

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local revenue	\$ ---	\$ 55,243	\$ 58,770	\$ 3,527
State revenue	898,661	1,252,888	1,132,035	(120,853)
Federal revenue	657,500	712,352	616,417	(95,935)
Total revenues	<u>1,556,161</u>	<u>2,020,483</u>	<u>1,807,222</u>	<u>(213,261)</u>
Expenditures:				
Salaries	1,625,716	1,609,937	1,562,267	47,670
Other compensation	11,199	11,199	3,254	7,945
Fringe benefits	487,030	487,030	419,685	67,345
Supplies	130,054	232,884	173,039	59,845
Services	105,815	142,126	73,415	68,711
Professional and contracted services	65,650	34,478	27,386	7,092
Rent, utilities, and maintenance	125,950	167,946	161,315	6,631
Interdepartmental expenditures	10,000	19,827	15,976	3,851
Asset acquisitions	29,500	322,235	312,134	10,101
Total expenditures	<u>2,590,914</u>	<u>3,027,662</u>	<u>2,748,471</u>	<u>279,191</u>
Excess (deficiency) of revenues over expenditures	<u>(1,034,753)</u>	<u>(1,007,179)</u>	<u>(941,249)</u>	<u>65,930</u>
Other Financing Sources (uses):				
Transfers in	1,403,732	1,383,732	1,302,075	(81,657)
Transfers out	(368,979)	(376,553)	(360,826)	15,727
Total other financing sources (uses)	<u>1,034,753</u>	<u>1,007,179</u>	<u>941,249</u>	<u>(65,930)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>

Grants Fund
Personal Health Services
Budgetary Comparison Schedule
For the Year Ended June 30, 2006

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local revenue	\$ 6,413,804	\$ 6,453,204	\$ 4,424,378	\$ (2,028,826)
State revenue	12,375,438	12,934,868	11,630,898	(1,303,970)
Federal revenue	879,143	886,525	636,990	(249,535)
Patient service revenue	1,841,800	1,839,100	1,409,930	(429,170)
Other revenue	400,000	259,668	152,917	(106,751)
Total revenues	21,910,185	22,373,365	18,255,113	(4,118,252)
Expenditures:				
Salaries	14,760,696	14,459,536	11,990,663	2,468,873
Other compensation	198,595	288,004	245,839	42,165
Fringe benefits	4,449,665	4,420,785	3,439,556	981,229
Supplies	944,456	1,166,252	814,944	351,308
Services	301,862	315,514	230,230	85,284
Professional and contracted services	245,537	402,449	402,449	---
Rent, utilities, and maintenance	377,478	535,148	486,013	49,135
Interdepartmental expenditures	6,500	18,860	13,946	4,914
Asset acquisitions	---	5,000	4,966	34
Contingencies and restrictions	(13,371)	(13,371)	---	(13,371)
Total expenditures	21,271,418	21,598,177	17,628,606	3,969,571
Excess (deficiency) of revenues over expenditures	638,767	775,188	626,507	(148,681)
Other Financing Sources (uses):				
Transfers in	706,094	477,794	477,794	---
Transfers out	(1,344,861)	(1,252,982)	(1,104,301)	148,681
Total other financing sources (uses)	(638,767)	(775,188)	(626,507)	148,681
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ ---	\$ ---	\$ ---	\$ ---

Grants Fund
Assessment and Assurance
Budgetary Comparison Schedule
For the Year Ended June 30, 2006

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ 983,800	\$ 1,036,244	\$ 504,779	\$ (531,465)
Federal revenue	324,749	697,455	583,706	(113,749)
Total revenues	<u>1,308,549</u>	<u>1,733,699</u>	<u>1,088,485</u>	<u>(645,214)</u>
Expenditures:				
Salaries	228,399	243,490	170,687	72,803
Other compensation	---	5,209	4,406	803
Fringe benefits	56,686	61,986	35,498	26,488
Supplies	17,230	46,721	32,130	14,591
Services	18,475	30,804	14,518	16,286
Professional and contracted services	936,567	1,302,160	810,787	491,373
Rent, utilities, and maintenance	35,236	22,973	12,231	10,742
Total expenditures	<u>1,292,593</u>	<u>1,713,343</u>	<u>1,080,257</u>	<u>633,086</u>
Excess (deficiency) of revenues over expenditures	<u>15,956</u>	<u>20,356</u>	<u>8,228</u>	<u>(12,128)</u>
Other Financing Sources (uses):				
Transfers out	(15,956)	(20,356)	(8,228)	12,128
Total other financing sources (uses)	<u>(15,956)</u>	<u>(20,356)</u>	<u>(8,228)</u>	<u>12,128</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>

Grants Fund
Community Services Administration
Budgetary Comparison Schedule
For the Year Ended June 30, 2006

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local revenue	\$ ---	\$ 30,232	\$ 21,160	\$ (9,072)
State revenue	7,773,059	10,620,988	10,260,136	(360,852)
Other revenue	---	---	425	425
Total revenues	<u>7,773,059</u>	<u>10,651,220</u>	<u>10,281,721</u>	<u>(369,499)</u>
Expenditures:				
Salaries	1,841,040	1,645,257	1,600,163	45,094
Other compensation	---	23,953	2,373	21,580
Fringe benefits	580,580	563,576	496,163	67,413
Supplies	98,643	80,950	55,952	24,998
Services	1,732,636	1,600,447	1,548,919	51,528
Professional and contracted services	1,023,085	1,275,344	1,193,498	81,846
Rent, utilities, and maintenance	2,605,773	5,566,207	5,486,415	79,792
Interdepartmental expenditures	(108,698)	(104,514)	(101,762)	(2,752)
Total expenditures	<u>7,773,059</u>	<u>10,651,220</u>	<u>10,281,721</u>	<u>369,499</u>
Excess (deficiency) of revenues over expenditures	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>
Other Financing Sources (uses):				
Transfers in	2,479	56,805	740	(56,065)
Transfers out	(2,479)	(56,805)	(56,066)	739
Total other financing sources (uses)	<u>---</u>	<u>---</u>	<u>(55,326)</u>	<u>(55,326)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ (55,326)</u>	<u>\$ (55,326)</u>

**Budgetary Comparison Schedule
For the Year Ended June 30, 2006**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local revenue	\$ ---	\$ ---	\$ 6,900	\$ 6,900
State revenue	1,000,000	1,407,907	1,376,313	(31,594)
Federal revenue	21,354,530	22,818,406	21,121,108	(1,697,298)
Other revenue	---	---	6,833	6,833
Total revenues	<u>22,354,530</u>	<u>24,226,313</u>	<u>22,511,154</u>	<u>(1,715,159)</u>
Expenditures:				
Salaries	10,399,016	9,276,266	9,276,264	2
Other compensation	---	103,194	103,194	---
Fringe benefits	2,123,228	3,310,184	3,310,017	167
Supplies	1,096,900	2,746,127	1,744,562	1,001,565
Services	719,816	701,289	390,121	311,168
Professional and contracted services	6,844,534	6,093,515	5,848,653	244,862
Rent, utilities, and maintenance	1,096,914	1,781,624	1,664,372	117,252
Interdepartmental expenditures	23,182	151,298	117,836	33,462
Asset acquisitions	50,940	62,816	56,135	6,681
Total expenditures	<u>22,354,530</u>	<u>24,226,313</u>	<u>22,511,154</u>	<u>1,715,159</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>

**Grants Fund
Crime Victims Center
Budgetary Comparison Schedule
For the Year Ended June 30, 2006**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ 188,393	\$ 188,393	\$ 187,950	\$ (443)
Federal revenue	128,500	216,019	133,036	(82,983)
Total revenues	316,893	404,412	320,986	(83,426)
Expenditures:				
Salaries	273,388	283,728	267,722	16,006
Other compensation	---	212	---	212
Fringe benefits	80,268	81,190	76,251	4,939
Supplies	7,527	10,696	4,166	6,530
Services	2,500	52,504	22,902	29,602
Professional and contracted services	---	49,911	15,036	34,875
Asset acquisitions	---	3,000	---	3,000
Contingencies and restrictions	30,849	---	---	---
Total expenditures	394,532	481,241	386,077	95,164
Excess (deficiency) of revenues over expenditures	(77,639)	(76,829)	(65,091)	11,738
Other Financing Sources (uses):				
Transfers in	77,639	77,639	65,091	(12,548)
Transfers out	---	(810)	---	810
Total other financing sources (uses)	77,639	76,829	65,091	(11,738)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ ---	\$ ---	\$ ---	\$ ---

Grants Fund
Pretrial Services
Budgetary Comparison Schedule
For the Year Ended June 30, 2006

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local revenue	\$ ---	\$ 63,425	\$ 27,573	\$ (35,852)
State revenue	75,000	75,044	70,149	(4,895)
Federal revenue	112,277	101,000	100,999	(1)
Total revenues	<u>187,277</u>	<u>239,469</u>	<u>198,721</u>	<u>(40,748)</u>
Expenditures:				
Salaries	157,435	191,322	166,608	24,714
Other compensation	---	5,763	5,763	---
Fringe benefits	51,507	63,014	45,366	17,648
Supplies	2,243	1,243	1,240	3
Services	2,100	3,127	3,127	---
Professional and contracted services	245	---	---	---
Total expenditures	<u>213,530</u>	<u>264,469</u>	<u>222,104</u>	<u>42,365</u>
Excess (deficiency) of revenues over expenditures	<u>(26,253)</u>	<u>(25,000)</u>	<u>(23,383)</u>	<u>1,617</u>
Other Financing Sources (uses):				
Transfers in	<u>26,253</u>	<u>25,000</u>	<u>23,383</u>	<u>(1,617)</u>
Total other financing sources (uses)	<u>26,253</u>	<u>25,000</u>	<u>23,383</u>	<u>(1,617)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>

Grants Fund
Aging Commission of the Mid-South
Budgetary Comparison Schedule
For the Year Ended June 30, 2006

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local revenue	\$ 2,003,234	\$ 2,053,202	\$ 246,542	\$ (1,806,660)
State revenue	6,343,894	6,034,599	5,557,174	(477,425)
Federal revenue	---	59,699	46,882	(12,817)
Total revenues	<u>8,347,128</u>	<u>8,147,500</u>	<u>5,850,598</u>	<u>(2,296,902)</u>
Expenditures:				
Salaries	1,366,637	1,401,106	1,022,140	378,966
Other compensation	---	2,155	2,155	---
Fringe benefits	461,472	471,172	281,160	190,012
Supplies	47,628	125,976	97,945	28,031
Services	61,228	67,328	39,331	27,997
Professional and contracted services	6,355,269	6,006,199	4,354,406	1,651,793
Rent, utilities, and maintenance	186,200	206,670	190,340	16,330
Interdepartmental expenditures	6,600	10,600	7,027	3,573
Intergovernmental expenditures	1,000	200	---	200
Asset acquisitions	5,000	---	---	---
Total expenditures	<u>8,491,034</u>	<u>8,291,406</u>	<u>5,994,504</u>	<u>2,296,902</u>
Excess (deficiency) of revenues over expenditures	<u>(143,906)</u>	<u>(143,906)</u>	<u>(143,906)</u>	<u>---</u>
Other Financing Sources (uses):				
Transfers in	669,612	669,612	223,698	(445,914)
Transfers out	(525,706)	(525,706)	(79,792)	445,914
Total other financing sources (uses)	<u>143,906</u>	<u>143,906</u>	<u>143,906</u>	<u>---</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>

**Budgetary Comparison Schedule
For the Year Ended June 30, 2006**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local revenue	\$ 26,135	\$ 222,258	\$ 174,677	\$ (47,581)
State revenue	---	708,514	116,713	(591,801)
Federal revenue	203,627	545,594	402,988	(142,606)
Total revenues	<u>229,762</u>	<u>1,476,366</u>	<u>694,378</u>	<u>(781,988)</u>
Expenditures:				
Salaries	134,518	274,337	239,882	34,455
Other compensation	29,957	395,717	304,640	91,077
Fringe benefits	42,349	119,309	80,810	38,499
Supplies	48,786	89,225	51,835	37,390
Services	---	43,289	20,875	22,414
Professional and contracted services	---	47,000	21,785	25,215
Asset acquisitions	---	559,353	13,950	545,403
Total expenditures	<u>255,610</u>	<u>1,528,230</u>	<u>733,777</u>	<u>794,453</u>
Excess (deficiency) of revenues over expenditures	<u>(25,848)</u>	<u>(51,864)</u>	<u>(39,399)</u>	<u>12,465</u>
Other Financing Sources (uses):				
Transfers in	<u>25,848</u>	<u>51,864</u>	<u>39,399</u>	<u>(12,465)</u>
Total other financing sources (uses)	<u>25,848</u>	<u>51,864</u>	<u>39,399</u>	<u>(12,465)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>

Grants Fund
General Sessions Criminal Court Judges
Budgetary Comparison Schedule
For the Year Ended June 30, 2006

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local revenue	\$ 75,000	\$ 75,000	\$ 75,000	\$ ---
Federal revenue	---	170,466	169,803	(663)
Other revenue	---	5,470	5,470	---
Total revenues	<u>75,000</u>	<u>250,936</u>	<u>250,273</u>	<u>(663)</u>
Expenditures:				
Salaries	---	9,274	9,274	---
Fringe benefits	---	3,256	3,256	---
Supplies	---	5,835	5,447	388
Professional and contracted services	<u>75,000</u>	<u>236,533</u>	<u>236,219</u>	<u>314</u>
Total expenditures	<u>75,000</u>	<u>254,898</u>	<u>254,196</u>	<u>702</u>
Excess (deficiency) of revenues over expenditures	<u>---</u>	<u>(3,962)</u>	<u>(3,923)</u>	<u>39</u>
Other Financing Sources (uses):				
Transfers in	---	3,962	3,923	(39)
Total other financing sources (uses)	<u>---</u>	<u>3,962</u>	<u>3,923</u>	<u>(39)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>

Grants Fund
Juvenile Court Clerk
Budgetary Comparison Schedule
For the Year Ended June 30, 2006

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ 483,903	\$ 440,895	\$ 302,580	\$ (138,315)
Total revenues	483,903	440,895	302,580	(138,315)
Expenditures:				
Salaries	319,316	319,316	252,903	66,413
Other compensation	22,502	22,502	---	22,502
Fringe benefits	114,274	114,274	77,216	37,058
Supplies	56,352	52,202	18,592	33,610
Services	87,153	63,565	35,063	28,502
Rent, utilities, and maintenance	38,582	31,801	31,801	---
Total expenditures	638,179	603,660	415,575	188,085
Excess (deficiency) of revenues over expenditures	(154,276)	(162,765)	(112,995)	49,770
Other Financing Sources (uses):				
Transfers in	249,284	244,911	155,875	(89,036)
Transfers out	(95,008)	(82,146)	(42,880)	39,266
Total other financing sources (uses)	154,276	162,765	112,995	(49,770)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ ---	\$ ---	\$ ---	\$ ---

Grants Fund
Juvenile Court
Budgetary Comparison Schedule
For the Year Ended June 30, 2006

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
State revenue	\$ 18,394,585	\$ 19,196,415	\$ 18,142,280	\$ (1,054,135)
Federal revenue	11,490	99,662	61,884	(37,778)
Other revenue	20,400	28,043	7,775	(20,268)
Total revenues	<u>18,426,475</u>	<u>19,324,120</u>	<u>18,211,939</u>	<u>(1,112,181)</u>
Expenditures:				
Salaries	7,249,183	7,008,681	6,879,725	128,956
Other compensation	---	36,175	36,147	28
Fringe benefits	2,154,283	2,097,111	2,046,036	51,075
Supplies	191,293	378,144	238,432	139,712
Services	26,150	45,754	34,168	11,586
Professional and contracted services	7,001,355	7,807,736	7,094,096	713,640
Rent, utilities, and maintenance	330,155	409,316	343,969	65,347
Asset acquisitions	---	80,410	69,367	11,043
Total expenditures	<u>16,952,419</u>	<u>17,863,327</u>	<u>16,741,940</u>	<u>1,121,387</u>
Excess (deficiency) of revenues over expenditures	<u>1,474,056</u>	<u>1,460,793</u>	<u>1,469,999</u>	<u>9,206</u>
Other Financing Sources (uses):				
Transfers in	31,211	50,891	21,430	(29,461)
Transfers out	(1,505,267)	(1,511,684)	(1,491,429)	20,255
Total other financing sources (uses)	<u>(1,474,056)</u>	<u>(1,460,793)</u>	<u>(1,469,999)</u>	<u>(9,206)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>

Grants Fund
Attorney General
Budgetary Comparison Schedule
For the Year Ended June 30, 2006

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		
Revenues:				
Local revenue	\$ ---	\$ 173,734	\$ 114,834	\$ (58,900)
State revenue	404,121	468,408	462,696	(5,712)
Federal revenue	75,059	142,384	139,814	(2,570)
Other revenue	126,666	134,325	132,395	(1,930)
Total revenues	605,846	918,851	849,739	(69,112)
Expenditures:				
Salaries	374,553	571,787	522,566	49,221
Other compensation	---	15,622	15,535	87
Fringe benefits	97,607	146,652	126,870	19,782
Supplies	29,245	30,405	30,384	21
Services	13,364	7,256	7,256	---
Professional and contracted services	54,658	120,720	120,719	1
Rent, utilities, and maintenance	36,450	21,027	21,027	---
Interdepartmental expenditures	2,650	8,063	8,063	---
Total expenditures	608,527	921,532	852,420	69,112
Excess (deficiency) of revenues over expenditures	(2,681)	(2,681)	(2,681)	---
Other Financing Sources (uses):				
Transfers in	2,681	2,681	2,681	---
Total other financing sources (uses)	2,681	2,681	2,681	---
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ ---	\$ ---	\$ ---	\$ ---

Shelby County, Tennessee

Statistical Section Index For the Year Ended June 30, 2006

This part of the comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statement, note disclosures, and required supplementary information says about the County's overall financial health.

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Sources:

Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports of the relevant year. The County implemented GASB Statement 34 in 2002; schedules presenting government-wide information include information beginning in that year.

Shelby County Government

Financial Trends Information Net Assets by Component Last Five Fiscal Years (accrual basis of accounting)

	Fiscal Year				
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Governmental activities					
Invested in capital assets, net of related debt	\$ 176,161,144	\$ 179,516,173	\$ 160,714,397	\$ 175,194,990	\$ 156,764,887
Restricted	42,849,339	33,428,619	25,939,996	46,561,030	80,104,201
Unrestricted	(1,082,043,535)	(1,181,961,431)	(1,214,254,660)	(1,281,070,298)	(1,259,839,639)
Total governmental activities net assets	<u>\$ (863,033,052)</u>	<u>\$ (969,016,639)</u>	<u>\$ (1,027,600,267)</u>	<u>\$ (1,059,314,278)</u>	<u>\$ (1,022,970,551)</u>
Business-type activities					
Invested in capital assets, net of related debt	\$ 30,631,245	\$ 33,372,974	\$ 29,047,386	\$ 28,180,902	\$ 27,213,452
Unrestricted	9,560,888	5,101,901	5,352,161	3,447,095	5,422,857
Total business-type activities net assets	<u>\$ 40,192,133</u>	<u>\$ 38,474,875</u>	<u>\$ 34,399,547</u>	<u>\$ 31,627,997</u>	<u>\$ 32,636,309</u>
Total Shelby County Government					
Invested in capital assets, net of related debt	\$ 206,792,389	\$ 212,889,147	\$ 189,761,783	\$ 203,375,892	\$ 183,978,339
Restricted	42,849,339	33,428,619	25,939,996	46,561,030	80,104,201
Unrestricted	(1,072,482,647)	(1,176,859,530)	(1,208,902,499)	(1,277,623,203)	(1,254,416,782)
Total Shelby County Government net assets	<u>\$ (822,840,919)</u>	<u>\$ (930,541,764)</u>	<u>\$ (993,200,720)</u>	<u>\$ (1,027,686,281)</u>	<u>\$ (990,334,242)</u>

(a) Net assets for 2002 - 2005 have been restated for the addition in prior years infrastructure assets in 2006.

Shelby County Government

Financial Trends Information

Changes in Net Assets

Last Five Fiscal Years (accrual basis of accounting)

	Fiscal Year				
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Expenses					
Governmental activities:					
General government	\$ 72,812,915	\$ 56,964,268	\$ 43,091,692	\$ 38,865,681	\$ 32,850,485
Hospital	27,111,884	33,452,571	28,213,585	25,566,667	25,566,667
Planning and development	3,615,987	5,274,947	5,274,622	6,084,407	6,558,085
Public works	42,207,221	41,979,217	46,589,533	47,194,361	49,927,770
Corrections	948,137	937,223	825,555	371,598	505,384
Health services	47,139,841	51,345,969	50,318,012	50,576,288	53,781,890
Community services	38,884,757	39,462,255	39,778,703	41,010,999	43,060,057
Law enforcement	128,316,505	142,686,117	128,056,729	128,391,275	130,666,941
Judicial	62,931,363	64,985,833	64,354,821	66,622,877	71,267,471
Other elected officials	22,482,483	23,358,560	23,223,119	24,553,977	24,573,915
Education	392,612,929	398,704,841	428,873,650	404,270,674	446,365,688
Interest on debt	66,824,357	71,847,109	65,885,498	75,944,617	83,880,247
Total governmental activities expenses	<u>905,888,379</u>	<u>930,998,910</u>	<u>924,485,519</u>	<u>909,453,421</u>	<u>969,004,600</u>
Business-type activities:					
Codes enforcement	9,434,296	9,607,056	10,170,162	12,753,672	11,694,624
Nursing homes (a)	16,928,491	15,372,131	15,783,099	---	---
Fire services	11,142,638	10,727,950	11,408,991	11,218,053	11,564,013
Corrections	44,072,389	43,873,787	44,288,051	42,568,864	43,953,488
Total business-type activities expenses	<u>81,577,814</u>	<u>79,580,924</u>	<u>81,650,303</u>	<u>66,540,589</u>	<u>67,212,125</u>
Total Shelby County Government expenses	<u>\$ 987,466,193</u>	<u>\$ 1,010,579,834</u>	<u>\$ 1,006,135,822</u>	<u>\$ 975,994,010</u>	<u>\$ 1,036,216,725</u>
Program Revenues					
Governmental activities:					
Charges for services:					
General government	\$ 10,343,904	\$ 6,641,545	\$ 4,948,724	\$ 12,573,440	\$ 10,609,617
Health services	12,321,614	11,191,945	12,377,808	12,413,470	13,828,345
Judicial	19,016,809	16,779,465	18,865,870	17,991,087	22,736,318
Other elected officials	29,014,084	31,385,899	33,130,555	33,568,741	38,011,061
Other governmental activities	11,084,741	13,243,388	10,935,310	10,532,832	10,847,470
Operating grants and contributions	108,115,963	110,997,403	121,711,056	119,186,843	138,189,459
Capital grants and contributions	6,092,830	7,703,724	7,818,000	277,257	12,460,564
Total governmental activities program revenues	<u>195,989,945</u>	<u>197,943,369</u>	<u>209,787,323</u>	<u>206,543,670</u>	<u>246,682,834</u>

Business-type activities:					
Charges for services:					
Nursing homes (a)	13,629,938	11,281,438	10,140,279	---	---
Codes enforcement	8,448,266	9,562,309	9,671,556	9,966,304	9,877,918
Fire services	12,159,617	12,108,592	11,972,840	12,921,848	14,023,656
Corrections	39,052,540	38,132,559	33,137,935	33,394,199	38,624,196
Operating grants and contributions	78,620	47,175	60,960	56,960	43,050
Total business-type activities program revenues	<u>73,368,981</u>	<u>71,132,073</u>	<u>64,983,570</u>	<u>56,339,311</u>	<u>62,568,820</u>
Total Shelby County Government program revenues	<u>\$ 269,358,926</u>	<u>\$ 269,075,442</u>	<u>\$ 274,770,893</u>	<u>\$ 262,882,981</u>	<u>\$ 309,251,654</u>
Net (Expense)/Revenue					
Governmental activities	\$ (709,898,434)	\$ (733,055,541)	\$ (714,698,196)	\$ (702,909,751)	\$ (722,321,766)
Business-type activities	(8,208,833)	(8,448,851)	(16,666,733)	(10,201,278)	(4,643,305)
Total Shelby County Government net expense	<u>\$ (718,107,267)</u>	<u>\$ (741,504,392)</u>	<u>\$ (731,364,929)</u>	<u>\$ (713,111,029)</u>	<u>\$ (726,965,071)</u>
General Revenues and Other Changes in Net Assets					
Governmental activities:					
Taxes					
Property taxes	\$ 549,809,147	\$ 559,384,367	\$ 582,711,510	\$ 587,164,493	\$ 654,551,938
Sales taxes	8,752,100	8,694,724	8,097,229	10,200,007	10,343,331
Business taxes	8,157,869	7,472,985	8,608,379	8,123,470	8,970,348
Hotel/Motel taxes	9,875,416	10,298,422	10,723,410	10,522,938	12,377,312
Wheel taxes	25,118,607	29,178,582	29,237,924	29,237,237	29,962,996
Other taxes	13,271,375	9,837,177	26,059,181	27,434,241	33,667,862
Investment earnings	8,677,491	8,549,134	2,782,079	5,660,042	14,068,619
Transfers	(7,099,871)	(6,343,437)	(12,105,144)	(7,146,688)	(5,276,913)
Total governmental activities	<u>616,562,134</u>	<u>627,071,954</u>	<u>656,114,568</u>	<u>671,195,740</u>	<u>758,665,493</u>
Business-type activities:					
Investment earnings	(916,965)	388,156	486,261	283,040	374,704
Transfers	7,099,871	6,343,437	12,105,144	7,146,688	5,276,913
Total business-type activities	<u>6,182,906</u>	<u>6,731,593</u>	<u>12,591,405</u>	<u>7,429,728</u>	<u>5,651,617</u>
Total Shelby County Government	<u>\$ 622,745,040</u>	<u>\$ 633,803,547</u>	<u>\$ 668,705,973</u>	<u>\$ 678,625,468</u>	<u>\$ 764,317,110</u>
Change in Net Assets					
Governmental activities	\$ (93,336,300)	\$ (105,983,587)	\$ (58,583,628)	\$ (31,714,011)	\$ 36,343,727
Business-type activities	(2,025,927)	(1,717,258)	(4,075,328)	(2,771,550)	1,008,312
Total Shelby County Government	<u>\$ (95,362,227)</u>	<u>\$ (107,700,845)</u>	<u>\$ (62,658,956)</u>	<u>\$ (34,485,561)</u>	<u>\$ 37,352,039</u>

Several organizational changes have occurred over the past five years. Expenses, program revenues, general revenues, and other changes in net assets of prior years have been adjusted to be consistent with the current organizational structure.

(a) Nursing Homes - Oakville Health Care Center, an enterprise fund, was sold to an outside party at the end of fiscal year 2004.

Shelby County Government

Financial Trends Information Fund Balances, Governmental Funds Last Ten Fiscal Years (modified accrual basis of accounting)

	Fiscal Year									
	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
General Fund										
Reserved	\$ 4,287,729	\$ 3,559,193	\$ 2,816,010	\$ 3,207,470	\$ 5,088,956	\$ 7,472,886	\$ 5,736,619	\$ 4,085,059	\$ 4,158,337	\$ 4,150,637
Unreserved (a)	<u>21,783,985</u>	<u>13,750,536</u>	<u>23,266,351</u>	<u>25,321,498</u>	<u>28,867,929</u>	<u>34,782,084</u>	<u>18,770,288</u>	<u>30,663,278</u>	<u>37,539,543</u>	<u>41,147,243</u>
Total general fund	<u>\$ 26,071,714</u>	<u>\$ 17,309,729</u>	<u>\$ 26,082,361</u>	<u>\$ 28,528,968</u>	<u>\$ 33,956,885</u>	<u>\$ 42,254,970</u>	<u>\$ 24,506,907</u>	<u>\$ 34,748,337</u>	<u>\$ 41,697,880</u>	<u>\$ 45,297,880</u>
All Other Governmental Funds										
Reserved	\$107,367,219	\$124,415,059	\$ 95,772,745	\$ 91,903,209	\$ 76,958,992	\$ 592,512	\$ 1,213,424	\$ 1,028,370	\$ 2,102,322	\$ 662,791
Unreserved, reported in:										
Debt service funds	3,046,092	386,037	2,085,946	1,603,174	4,902,416	19,777,038	10,702,422	9,457,475	29,241,588	55,924,980
Capital projects funds	(2,953,253)	(131,154,395)	(97,858,576)	(303,412,574)	(311,500,944)	(233,964,662)	(211,212,848)	(24,919,442)	(136,651,444)	28,418,919
Grants funds	75,370	121,392	77,676	75,372	75,380	1,440,581	1,421,000	1,517,638	1,659,168	3,250,037
Special revenue funds	<u>8,161,059</u>	<u>5,606,397</u>	<u>5,639,516</u>	<u>12,006,644</u>	<u>12,463,672</u>	<u>12,425,508</u>	<u>13,921,329</u>	<u>13,936,513</u>	<u>13,613,278</u>	<u>20,266,393</u>
Total all other governmental funds	<u>\$115,696,487</u>	<u>\$ (625,510)</u>	<u>\$ 5,717,307</u>	<u>\$(197,824,175)</u>	<u>\$(217,100,484)</u>	<u>\$(199,729,023)</u>	<u>\$(183,954,673)</u>	<u>\$ 1,020,554</u>	<u>\$(90,035,088)</u>	<u>\$ 108,523,120</u>

(a) Fiscal years 1997 - 2004 have been adjusted for restatements in subsequent years

Shelby County Government

Financial Trends Information Changes in Fund Balances, Governmental Funds Last Ten Fiscal Years (modified accrual basis of accounting)

	Fiscal Year									
	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Revenues										
Local taxes	\$ 333,724,157	\$ 349,910,099	\$ 385,058,126	\$ 472,996,777	\$489,953,461	\$ 604,609,455	\$ 620,977,188	\$ 665,184,712	\$ 672,036,081	\$ 747,473,316
Local revenue	20,738,188	20,149,434	38,986,550	36,442,946	41,421,530	36,081,681	39,687,932	44,342,048	48,542,177	43,130,241
State revenue	55,347,973	55,453,617	67,994,506	67,387,155	63,989,958	70,259,167	72,583,287	76,701,026	82,506,185	103,465,561
Federal revenue	14,262,810	16,191,632	19,181,728	20,339,229	25,803,149	27,185,094	26,894,944	25,492,482	26,481,217	28,888,268
Patient service revenue	4,303,568	3,758,762	2,919,111	467,043	764,939	1,058,773	1,425,748	2,300,228	2,012,041	2,265,632
Elected officials' fines and fees	45,348,704	47,138,374	45,446,063	45,931,497	47,641,570	54,284,328	54,335,743	56,302,501	56,155,830	63,174,615
Other revenue	21,626,083	28,954,259	16,054,604	13,498,358	16,714,499	16,971,962	8,608,493	3,341,228	7,007,908	13,780,466
Total revenues	495,351,483	521,556,177	575,640,688	657,063,005	686,289,106	810,450,460	824,513,335	873,664,225	894,741,439	1,002,178,099
Expenditures (d)										
General government	43,133,111	41,061,564	40,683,122	43,940,678	42,058,890	41,756,607	46,350,061	44,714,397	42,036,417	42,029,564
Hospital (b)	24,566,667	24,566,667	22,566,667	22,566,667	27,566,667	22,566,667	22,566,667	22,566,667	20,566,667	20,566,667
Planning and development	5,998,431	7,342,899	7,582,911	9,108,782	5,208,106	3,583,784	5,046,331	4,914,861	6,110,142	6,562,951
Public works	26,032,868	26,139,165	24,650,876	24,011,466	26,280,913	28,360,797	27,740,800	31,321,491	29,498,235	40,715,864
Corrections	159,109	437,195	776,348	945,388	1,211,235	948,137	937,223	790,715	371,598	432,171
Health services	32,835,709	32,563,099	35,936,190	38,127,890	43,137,942	46,778,955	50,403,756	49,965,324	50,395,188	53,591,503
Community services (c)	25,019,571	27,292,023	29,992,623	28,350,928	38,402,630	38,764,862	39,331,953	39,850,995	40,915,126	43,067,122
Law enforcement	64,782,340	73,998,421	83,532,436	94,616,827	99,515,132	125,391,302	139,714,965	127,948,541	127,315,702	130,234,277
Judicial	43,306,255	45,234,906	49,188,299	44,389,359	54,376,229	60,349,160	62,263,405	63,937,661	65,070,182	69,633,785
Other elected officials	16,516,207	18,206,996	18,967,693	26,974,886	21,337,910	22,153,989	23,001,551	23,154,077	23,721,774	25,146,009
Education (a)	147,863,383	192,447,420	228,060,395	244,226,988	274,269,490	301,622,626	320,530,670	321,953,079	325,859,655	360,019,604
Debt service:										
Interest	44,479,850	43,748,725	51,319,633	59,704,419	64,209,850	52,606,584	61,404,778	66,493,148	69,852,019	78,956,185
Principal	24,372,047	23,859,580	29,574,342	37,435,260	41,581,241	44,760,484	50,148,192	54,173,503	67,734,747	68,555,308
Capital outlay	101,603,333	72,529,373	92,282,537	161,006,035	106,613,346	154,104,764	130,256,656	135,066,176	116,166,362	105,741,913
Total expenditures	600,668,881	629,428,033	715,114,072	835,405,573	845,769,581	943,748,718	979,697,008	986,850,635	985,613,814	1,045,252,923
Excess (deficiency) of revenues over (under) expenditures	(105,317,398)	(107,871,856)	(139,473,384)	(178,342,568)	(159,480,475)	(133,298,258)	(155,183,673)	(113,186,410)	(90,872,375)	(43,074,824)

Other financing sources (uses)										
Proceeds of general obligation bonds	175,000,000	---	160,737,233	---	150,000,000	160,707,801	153,308,115	323,026,282	443,740,125	251,027,782
Proceeds of refunding bonds	124,501,065	236,981,365	160,763,911	16,600,000	37,683,025	21,065,848	---	---	---	---
Payment to refunding bond escrow agent	(124,876,568)	(234,702,606)	(159,729,058)	(16,809,029)	(37,868,108)	(20,817,729)	---	---	(433,055,801)	---
Transfers in	23,581,105	21,619,694	31,739,095	23,263,240	26,007,729	37,917,304	42,026,892	22,362,765	36,262,244	43,788,657
Transfers out	(26,593,620)	(25,229,254)	(32,622,598)	(25,336,034)	(29,417,488)	(46,563,922)	(44,798,620)	(36,252,522)	(42,179,231)	(49,583,407)
Total other financing sources (uses)	171,611,982	(1,330,801)	160,888,583	(2,281,823)	146,405,158	152,309,302	150,536,387	309,136,525	4,767,337	245,233,032
Net change in fund balances	<u>\$ 66,294,584</u>	<u>\$ (109,202,657)</u>	<u>\$ 21,415,199</u>	<u>\$ (180,624,391)</u>	<u>\$ (13,075,317)</u>	<u>\$ 19,011,044</u>	<u>\$ (4,647,286)</u>	<u>\$ 195,950,115</u>	<u>\$ (86,105,038)</u>	<u>\$ 202,158,208</u>
Debt service as a percentage of non capital expenditures	13.80%	12.14%	12.99%	14.40%	14.31%	12.33%	13.13%	14.17%	15.82%	15.70%

(a) Education expenditures are those made to the City of Memphis Board of Education and the County Board of Education. The County Board of Education operations are reported as a discrete component unit. Prior to 2002, payments to the County Board of Education were reported as transfers to component units. Education expenditures for those years have been restated in this schedule.

(b) Hospital expenditures are those made to the Shelby County Health Care Corporation (the Med). Shelby County Health Care Corporation operations are reported as a discrete component unit. Prior to 2002, payments to the Shelby County Health Care Corporation were reported as transfers to component units. Hospital expenditures for those years have been restated in this schedule.

(c) From 1999 to 2001 Headstart Inc. was a component unit of Shelby County Government. Expenditures made to Headstart Inc. in those years were reported as transfers to component units of Shelby County Government's Community Services Division. Community Services expenditures for those years have been restated in this schedule.

(d) Several organizational changes have occurred over the past ten years. Revenues, expenditures, and other financing sources (uses) of prior years have been adjusted with the current organizational structure.

Shelby County, Tennessee

Revenue Capacity Information Assessed and Estimated Value of Taxable Property Last Ten Fiscal Years

Fiscal Year	Tax Year	Residential Property	Commercial Property	Personal Property	Public Utilities (b)	Total Taxable Assessed Value (a)	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value (c)
1997	1996	\$4,707,142,800	\$ 2,862,569,665	\$ 973,813,495	\$ 703,404,818	\$9,246,930,778	\$ 3.16	\$ 31,097,047,676	29.74%
1998	1997	4,919,492,257	2,879,906,290	1,086,143,225	684,891,672	9,570,433,444	3.16	32,419,977,870	29.52%
1999 (d)	1998	6,171,961,525	4,447,216,805	1,145,601,660	831,393,533	12,596,173,523	2.82	41,212,712,405	30.56%
2000	1999	6,285,898,425	4,372,146,930	1,289,019,555	857,790,565	12,804,855,475	3.54	42,023,145,109	30.47%
2001	2000	6,502,973,185	4,172,329,810	1,278,675,930	875,325,387	12,829,304,312	3.54	42,423,800,004	30.24%
2002 (d)	2001	7,679,702,923	5,123,764,525	1,303,138,720	1,013,049,391	15,119,655,559	3.79	49,858,145,639	30.33%
2003	2002	7,779,710,568	5,142,401,180	1,347,626,455	957,048,226	15,226,786,429	3.79	50,347,238,284	30.24%
2004	2003	7,972,813,784	4,958,614,785	1,301,588,530	880,949,964	15,113,967,063	4.04	50,379,365,307	30.00%
2005	2004	8,212,018,085	4,830,896,025	1,232,343,955	910,598,020	15,185,856,085	4.04	50,841,730,464	29.87%
2006 (d)	2005	9,425,210,140	5,471,742,335	1,289,881,700	1,033,424,138	17,220,258,313	4.04	57,726,276,478	29.83%

- (a) Assessed value is the most current tax year value prepared by the County Property Assessor as of year-end.
- (b) Public Utilities information is based on information received from the State of Tennessee Comptroller of the Treasury Assessments.
- (c) The State of Tennessee tax statutes classify property as follows for computing assessed valuations:
- | | |
|---------------------------------------------|---------------------|
| Real Estate-Residential and Farms | 25% of actual value |
| Real Estate-Commercial and Industrial | 40% of actual value |
| Personal Property-Commercial and Industrial | 30% of actual value |
| Public Utilities | 55% of actual value |
- (d) All property in the County was reappraised.

Shelby County, Tennessee

Revenue Capacity Information Property Tax Rates-Direct and Overlapping Governments Last Ten Fiscal Years

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
County Direct Rates										
General Fund	\$ 1.31	\$ 1.31	\$ 1.17	\$ 1.38	\$ 1.31	\$ 1.25	\$ 1.25	\$ 1.43	\$ 1.31	\$ 1.22
Education	1.51	1.51	1.35	1.65	1.69	2.03	2.03	2.03	2.03	2.02
Debt Service	0.34	0.34	0.30	0.51	0.54	0.51	0.51	0.58	0.70	0.80
Total Direct Rate	3.16	3.16	2.82	3.54	3.54	3.79	3.79	4.04	4.04	4.04
Rural School Bonds (a)							0.05	0.05	0.05	0.05
City & Town Rates (b)										
Memphis (c)	3.18	3.18	2.77	2.77	3.37	3.23	3.23	3.23	3.23	3.43
Arlington	1.20	1.20	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Bartlett	1.54	1.54	1.29	1.29	1.29	1.23	1.23	1.38	1.38	1.38
Collierville	1.59	1.89	1.47	1.47	1.47	1.47	1.47	1.45	1.47	1.47
Germantown	1.72	1.72	1.72	1.47	1.47	1.47	1.30	1.30	1.70	1.54
Millington	1.10	1.10	0.92	0.92	0.92	0.92	1.23	1.23	1.23	1.23

Rates are applicable to fiscal year ending June 30.

The portion of property taxes designated for education are allocated between the Shelby County Board of Education and the City of Memphis Board of Education based on the average daily attendance.

(a) Beginning in 2003 an additional \$0.05 tax rate funds only Rural School Bonds and is applied only to taxpayers living outside the City of Memphis.

(b) The City of Lakeland does not have a City Property tax.

(c) Approximately three-fourths of the County's population resides in the City of Memphis.

Shelby County, Tennessee

Revenue Capacity Information
Principal Property Tax Payers - Current and Nine Years Ago
June 30, 2006

Name of Taxpayer	Fiscal 2006 Assessments			Fiscal 1997 Assessments		
	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value
Federal Express Corporation	\$ 429,233,766	1	2.49%	\$ 255,202,767	1	2.76%
Bellsouth Telecommunications	171,948,791	2	1.00%	199,047,654	2	2.15%
Belz Enterprises	100,108,420	3	0.58%	85,931,875	3	0.93%
Wolfchase Galleria	54,781,310	4	0.32%			
Pinnacle Airlines Inc.	49,077,998	5	0.29%			
Amisub	38,720,000	6	0.22%			
Mid-America Apts LP	38,524,410	7	0.22%			
Regions/Union Planters National Bank	35,148,740	8	0.20%	24,508,315	6	0.27%
Cingular Wireless	33,692,845	9	0.20%			
Baptist Memorial Hospital	32,751,600	10	0.19%			
Boyle Investment				50,816,090	4	0.55%
ICI Acrylics				29,269,690	5	0.32%
Cargill Incorporated				24,124,670	7	0.26%
Mapco Petroleum Incorporated				23,302,070	8	0.25%
Mall of Memphis Associates (PSO)				23,046,570	9	0.25%
Northwest Airlines Incorporated				22,650,580	10	0.24%
Total Assessed Valuation of Top Ten Taxpayers	\$ 983,987,880		5.71%	\$ 737,900,281		7.98%
Balance of Assessed Valuation	16,236,270,433		94.29%	8,509,030,497		92.02%
Total Assessed Valuation	<u>\$ 17,220,258,313</u>		<u>100.00%</u>	<u>\$ 9,246,930,778</u>		<u>100.00%</u>

Shelby County, Tennessee

Revenue Capacity Information Property Tax Levies and Collections Last Ten Fiscal Years

Fiscal Year Ended June 30,	Tax Year	Original Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Adjusted Tax Levy	Total Collections to Date		
			Amount	Percentage of Original Levy			Amount	Percentage of Adjusted Levy	Percentage of Original Levy
1997	1996	\$ 291,250,276	\$ 272,826,625	93.67%	\$ 7,711,264	\$ 280,632,093	\$ 280,537,889	99.97%	96.32%
1998	1997	299,645,896	287,884,320	96.07%	7,539,883	295,888,850	295,417,248	99.84%	98.59%
1999	1998	355,212,093	329,543,247	92.77%	5,330,558	335,455,440	334,751,035	99.79%	94.24%
2000	1999	453,291,684	412,703,834	91.05%	21,502,424	436,464,617	433,964,103	99.43%	95.74%
2001	2000	454,157,373	427,388,176	94.11%	18,715,439	448,614,194	445,723,478	99.36%	98.14%
2002	2001	573,034,946	523,851,896	91.42%	22,959,633	551,510,523	546,038,773	99.01%	95.29%
2003	2002	577,095,200	526,168,220	91.18%	25,764,378	557,807,850	550,687,430	98.72%	95.42%
2004	2003	610,604,269	570,445,227	93.42%	20,745,811	598,864,458	586,761,122	97.98%	96.10%
2005	2004	613,508,586	577,008,988	94.05%	18,876,533	608,786,018	577,008,988	94.78%	94.05%
2006	2005	698,709,093	645,263,773	92.35%	N/A	685,406,723	645,263,773	94.14%	92.35%

Source: Shelby County Assessor and Trustee Offices.

Note: Property reappraisals were implemented in FY 1999, 2002 and 2006.

Shelby County, Tennessee

Debt Capacity Information Schedule of Direct and Overlapping Debt June 30, 2006

	Estimated Assessed Value	Debt
Direct Debt		
Special General Obligation School debt (a)	\$ 6,006,138,770	\$ 30,430,000
Total bonded debt (b)	17,097,432,195	1,716,763,831
Overlapping Debt (c)		
City of Memphis	11,091,293,425	929,853,000
City of Germantown	1,273,480,491	23,940,000
City of Bartlett	923,166,582	23,155,000
City of Collierville	1,135,805,760	31,518,310
Town of Arlington	150,198,845	55,000
Town of Millington	140,563,246	3,871,064

- (a) These bonds are limited tax obligation of the County. The County has the power and is obligated to levy ad valorem without limitation as to rate or amount upon all taxable property in the County located outside the boundaries of the Board of Education of the City of Memphis, Tennessee, which constitutes the area of the County outside of the boundaries of the City of Memphis, Tennessee.
- (b) The total bonded debt amount corresponds with all Shelby County assessed property. This includes the special general obligation school debt.
- (c) The tax base within each city corresponds with that city's debt.

Shelby County, Tennessee

Debt Capacity Information Ratios of Outstanding Debt by Type Last Ten Fiscal Years

Fiscal Year	Governmental Activities	Business Type Activities	Total Government Debt(a)	Percentage Of Actual Property Value(b)	Percentage Of Assessed Property Value(b)	Per Capita(b)	Percentage Of Personal Income(b)
	General Obligation Bonds	Capital Leases					
1997	\$ 893,796,775	\$ 189,308	\$ 893,986,083	2.88%	9.70%	\$ 1,015	3.82%
1998	887,993,932	637,898	888,631,830	2.74%	9.35%	1,003	3.46%
1999	1,033,072,361	384,582	1,033,456,943	2.52%	8.30%	1,156	3.88%
2000	996,907,361	116,393	997,023,754	2.38%	7.80%	1,110	3.64%
2001	1,106,692,361	---	1,106,692,361	2.61%	8.64%	1,231	3.86%
2002	1,220,172,361	608,328	1,220,780,689	2.43%	8.16%	1,354	4.09%
2003	1,317,097,361	510,915	1,317,608,276	2.59%	8.65%	1,457	4.27%
2004	1,580,998,222	863,307	1,581,861,529	3.09%	10.48%	1,745	4.95%
2005	1,537,189,948	794,188	1,537,984,136	2.99%	10.15%	(c)	(c)
2006	1,753,763,831	721,717	1,754,485,548	3.02%	10.26%	(c)	(c)

(a) The full faith, credit and unlimited taxing power of the County are pledged for payment of the Bonds without limitation as to rate or amount.

(b) See page 234 for Actual and Assessed Property Values and page 240 for Population Amounts and Personal Income Values.

(c) Not available for FY2005 and FY2006.

Shelby County, Tennessee

Demographic and Economic Information Demographic and Economic Statistics, Last Ten Calendar Years

Year	Population	Personal Income (thousands of dollars)	Per Capita Personal Income	Unemployment Rate
1996	877,907	\$ 22,476,605	25,602	4.4%
1997	880,862	23,418,356	26,586	4.7%
1998	886,007	25,651,277	28,952	3.8%
1999	893,826	26,638,485	29,803	3.8%
2000	898,265	27,393,670	30,496	3.9%
2001	898,721	28,689,993	31,923	4.4%
2002	901,375	29,550,580	32,784	5.3%
2003	904,602	30,251,244	33,441	5.9%
2004	906,287	31,934,529	35,237	6.2%
2005	n/a	n/a	n/a	6.4%

Sources:

Population and personal income data provided by the U.S. Bureau of the Census through Bureau of Economic Analysis (BEA). Unemployment rates provided by Tennessee Department of Labor and Workforce Development.

Note:

Population data are midyear estimates. Personal income amounts are totals for each calendar year. Per capita personal income amounts are computed on the basis of the mid-year population estimates given at left. Unemployment rates are non-seasonally adjusted calendar year average rates for the civilian workers.

Shelby County, Tennessee

Demographic and Economic Information Principal Employers, Current Year and Nine Years Ago

Employer	2005			1996		
	Employees	Rank	Percentage of Total SMSA Employment	Employees	Rank	Percentage of Total SMSA Employment
FedEx Corp	40,000	1	5.05%	28,000	1	3.88%
Memphis City Schools	16,000	2	2.02%	14,000	3	1.94%
United States Government	14,800	3	1.87%	17,900	2	2.48%
Methodist Healthcare	10,000	4	1.26%	4,335	7	0.60%
Baptist Memorial Health Care Corp.	8,000	5	1.01%	5,162	6	0.72%
Shelby County Government	7,183	6	0.91%	6,565	5	0.91%
Harrah's Entertainment, Inc.	7,000	7	0.88%			
Memphis City Government	6,680	8	0.84%	6,572	4	0.91%
Wal-Mart Stores	6,500	9	0.82%			
Naval Support Activity Millington	6,500	10	0.82%			
Tennessee State Government				3,890	10	0.54%
University of Tennessee				4,250	8	0.59%
Shelby County Board of Education				4,222	9	0.59%
Total	122,663		15.48%	94,896		13.16%

Sources: Largest employer data from Memphis Regional Chamber of Commerce. The largest numbers are for the Memphis SMSA as a whole. This is the best reliable information that can be located. The 2005 statistics are the most recent available. Total employment (not shown, but used in computations) from U.S. Department of Commerce Bureau of Economic Analysis. The total employment numbers are also for the Memphis SMSA. Total employment for 2004 was used as a surrogate for the 2005 figure, which is not expected to be available until spring 2007. Total employment for 1996 is adjusted to include Marshall, Tate, and Tunica counties, Mississippi, which were added to the Memphis SMSA following the 2000 census.

Shelby County, Tennessee

Operating Information
Full-time Equivalent Government Employees-By Function (a)
Last Six Fiscal Years

Function/Program:	Fiscal Year					
	2001	2002	2003	2004	2005	2006
General Government	553	574	532	294	297	317
Planning & Development	200	196	202	211	219	215
Public Works	364	362	383	473	496	474
Corrections	804	785	750	629	650	630
Health Services	777	764	647	674	677	674
Community Services (b)	177	178	204	560	590	572
Health Care Centers (c)	452	292	263	---	---	---
Law Enforcement: (d)						
Administrative & Support			234	257	253	243
Enforcement			558	550	536	544
Jail			1,304	1,121	1,179	1,143
Total Law Enforcement	2,010	2,227	2,096	1,928	1,968	1,930
Judicial	748	809	809	1,049	1,049	1,067
Other Elected Officials	447	469	476	380	371	398
Total Full-time Equivalent Employees	6,532	6,656	6,362	6,198	6,317	6,277

- (a) This schedule shows filled positions as of January 1, within each fiscal year.
(b) On November 1, 2003 the County acquired additional employees for Head Start.
(c) In fiscal year 2004 the County sold its Health Services facility.
(d) In 2003, Law Enforcement was separated into the three divisions.

Shelby County, Tennessee

Operating Information Operating Indicators - By Function (a) Last Ten Fiscal Years

Function/Program:	Fiscal Year									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
General Government:										
Pretrial Services										
Misdemeanor Interviews					33,363	30,089	29,397	29,121	28,538	26,973
Misdemeanor Arraignments					62,106	57,427	55,143	49,554	59,566	56,222
Felony Interviews					9,907	9,820	9,529	10,141	10,827	10,913
Felony Arraignments					10,329	10,048	9,635	10,456	11,061	11,012
Election Commission										
Number of Elections	2	1	2	2	3	1	2	4	5	4
Community Services										
Head Start										
Students					3,186	3,186	3,186	3,186	3,186	3,186
Housing										
Loans Outstanding								85	93	106
Law Enforcement										
Inmate Days per Year	963,447	1,004,440	1,041,256	1,076,828	882,933	759,663	721,143	806,562	881,162	948,892
Judicial (b)										
Chancery Court										
Filings	3,743	3,013	2,830	2,742	2,792	2,385	2,631	2,669	2,727	2,506
Dispositions	3,781	2,869	2,478	2,673	2,623	2,235	2,402	1,854	2,588	2,892
Circuit Court										
Filings	13,856	11,520	10,599	9,723	8,809	8,065	7,890	8,129	7,735	6,770
Dispositions	12,728	10,936	9,798	9,746	10,270	7,892	7,086	7,917	7,710	7,361
Criminal Court (e)										
Filings	22,630	22,653	21,132	22,054	22,293			25,735	24,869	29,728
Dispositions	22,191	21,120	20,396	21,886	23,747			27,872	24,742	27,435
General Sessions Criminal Court										
Filings				166,872	146,639	148,559	145,589	152,346	153,087	159,157
Dispositions				163,783	156,832	145,882	147,093	145,162	150,547	157,091
General Sessions Civil Court										
Filings			68,447	65,409	65,774	66,351	58,741	72,562	63,154	64,459
Dispositions							47,197	61,848	53,636	55,080
Juvenile Court (c)										
Disposed/Adjusted					22,125	24,934	20,729	20,490	22,817	21,211
Children Affected					16,164	15,684	14,573	14,760	15,987	15,561
Probate Court										
Filings	2,064	1,950	2,037	2,047	2,274	2,003	2,480	3,330	3,624	3,490
Dispositions	1,222	1,367	1,637	2,073	2,887	2,437	2,863	3,621	4,455	3,482

Other Elected Officials										
Register										
New Documents Filed		210,017	233,431	200,896	197,747	221,443	253,403	233,594	210,030	214,467
Assessor										
Parcels Assessed										
Real Property	303,322	307,442	311,043	314,893	320,901	325,493	328,565	331,881	335,896	340,264
Personal Property	34,056	35,896	36,510	36,523	37,101	38,235	38,105	37,989	38,168	38,846
Attorney General (c)										
Criminal Court Indictments							9,620	8,586	8,667	9,271
New Juvenile Delinquency Cases							2,828	2,753	2,947	3,090
Enterprise Funds:										
Fire (c)										
Fire Responses					8,600	9,326	6,488	6,051	6,433	7,087
Ambulance Calls					8,822	9,406	9,759	9,498	9,808	10,376
Codes Enforcement										
Building Inspections								58,790	63,665	61,482
Building Permits (d)	3,112	3,559	3,656	3,818	3,250	3,157	9,189	12,917	11,789	10,860
Board of Education (Component Unit)										
Enrollment										
Board of Education- County Shelby County	55,391	56,292	58,202	52,774	53,653	53,453	54,310	56,039	53,435	54,943
Board of Education- City of Memphis	127,450	127,758	129,762	136,683	136,754	137,013	135,236	135,183	138,043	137,932

- (a) Information not reported is not available for these periods.
- (b) Data for the latest year, except for Juvenile Court, was provided by Shelby County. All General Sessions data provided by Shelby County.
All other data taken from reports of the Tennessee Administrative Office of the Courts.
- (c) Data is reported on a calendar year basis as of December 31 within each fiscal year.
- (d) Data prior to 2003 excludes hotels, motels, additions, alterations, conversions, hazardous storage facilities, churches, garages, carports, educational facilities and swimming pools.
- (e) No data reported in fiscal years 2002 and 2003 due to problems with the case management system during the year.

Shelby County, Tennessee

Operating Information Capital Assets Statistics - By Function June 30, 2006

Function/Program: (a)	Fiscal Year (a)									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
General Government: Election Commission Polling Locations								283	279	279
Assessor Offices	2	2	2	2	2	2	2	2	2	2
Public Works Bridges (b)			325	294	275	257	235	217	201	199
Health Services Public Health Clinics								8	8	8
Law Enforcement Jail Capacity										
Male	2,825	2,825	2,825	2,825	2,825	2,825	2,825	2,825	3,025	3,025
Female			384	384	384	384	384	384	384	384
Judicial Courts	41	41	41	41	41	41	41	41	41	41
Enterprise Funds: Fire Stations (c)			8	8	8	8	8	8	8	7

(a) Some data is not available for some years.

(b) The number of bridges has declined due to annexations by municipalities.

(c) Fire stations decreased due to transfer to municipality.

Shelby County, Tennessee

Schedule of Salaries and Fidelity Bonds

June 30, 2006

Official	Designation	Salary Amounts	Bond Expiration Date	Bond Amount
Mayor and Staff				
A C Wharton, Jr.	Mayor	\$ 150,000	09/01/06	\$ 100,000
John T. Fowlkes	Chief Administrative Officer	136,584	09/01/06	100,000
James F. Huntzicker	Director of Administration and Finance	136,560	09/01/06	100,000
Theodore C. Fox, III	Director of Public Works	118,440	09/01/06	100,000
Yvonne Smith Madlock	Director of Health Services	118,450	09/01/06	25,000
Linda Rendtorff	Director of Community Services	107,016	09/01/06	25,000
Andrew Taber, Jr.	Director of Corrections	100,000	09/01/06	100,000
Court Clerks				
Kenny W. Armstrong	Chancery Court Clerk and Master	101,682	01/01/09	1,060,000
Jimmy Moore	Circuit Court Clerk	101,682	09/01/06	60,000
William R. Key	Criminal Court Clerk	101,682	09/01/06	65,000
William C. Turner	General Sessions Court Clerk	101,682	09/01/08	60,000
Chris R. Thomas	Probate Court Clerk	101,682	09/01/06	60,000
Steve Stamson	Juvenile Court Clerk	101,682	09/01/06	60,000
Others				
Mark H. Luttrell, Jr.	Sheriff	111,850	09/01/06	50,000
Jayne S. Creson	County Clerk	101,682	09/01/06	95,000
Thomas F. Leatherwood	Register	101,682	09/01/06	25,000
Robert D. Patterson, Sr.	Trustee	101,682	09/01/06	18,747,600
Rita Clark	Assessor	101,682	09/01/08	10,000
All Employees	Employee Theft Coverage		09/01/06	900,000 per claim

SHELBY COUNTY, TENNESSEE
Federal I.D. #62-6000841

Single Audit Report
For the Year Ended June 30, 2006

SHELBY COUNTY, TENNESSEE

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Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

To the Chairperson and Members of the
Shelby County Board of Commissioners and
Mayor of Shelby County, Tennessee

We have audited the financial statements of the governmental activities, the business type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Shelby County, Tennessee (the "County"), as of and for the year ended June 30, 2006, and have issued our report thereon dated November 9, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements referred to above being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements referred to above are free of material misstatement, we performed tests of the County's compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted other matters involving the internal control over financial reporting that we have reported to management in a separate letter dated November 9, 2006.

This report is intended solely for the information and use of the County Mayor and Commissioners, management, the State of Tennessee, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Thompson Dunavant LLC". The signature is written in a cursive, flowing style.

Memphis, Tennessee
November 9, 2006

Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance With OMB Circular A-133

To the Chairperson and Members of the
Shelby County Board of Commissioners and
Mayor of Shelby County, Tennessee

Compliance

We have audited the compliance of Shelby County, Tennessee (the "County") with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2006. The County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the County's compliance with those requirements.

In our opinion, the County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2006.

Internal Control Over Compliance

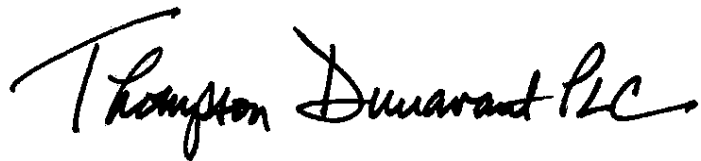
The management of the County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

Schedules of Expenditures of Federal and State and Other Awards

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Shelby County, Tennessee, as of and for the year ended June 30, 2006, and have issued our report thereon dated November 9, 2006. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying schedules of expenditures of federal and state and other awards are presented for purposes of additional analysis as required by OMB Circular A-133, and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of the County Mayor and Commissioners, management, the State of Tennessee, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Thompson Dunavant PC". The signature is written in a cursive, flowing style.

Memphis, Tennessee
November 9, 2006

SHELBY COUNTY, TENNESSEE

Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2006

CFDA	Contract Number	Program Name	Grantor or Pass-Through Agency	Federal Expenditures Incurred	Non-Federal Expenditures Incurred	Total Grant Expenditures Incurred
10.550		Commodity Assistance-National School Lunch	U.S. Department of Agriculture	\$ 630,532	\$ -	\$ 630,532
10.553		School Breakfast Program	U.S. Department of Agriculture	664,343	-	664,343
10.555		School Lunch Program	U.S. Department of Agriculture	4,029,120	-	4,029,120
10.557	GG-06-12319-00	WIC Program	TN Department of Health	2,080,773	133,750	2,214,523
10.557	GG-05-11566-00	WIC Program	TN Department of Health Total WIC Program	786,219 2,866,992	31,231 164,981	817,450 3,031,973
10.558	03-47-64531-00-0	Child & Adult Care Food Program	TN Department of Human Services	1,151,298	-	1,151,298
10.558	DA-0500086-06	Child & Adult Care Food Program	TN Department of Human Services Total CACF Program	225,015 1,376,313	-	225,015 1,376,313
10.565	GG-05-11615-00	CSFP	TN Department of Health	115,891	-	115,891
10.565	GG-06-11615-00	CSFP	TN Department of Health Total commodity supplemental food program	271,274 387,165	-	271,274 387,165
10.568	Z-05-024506-00	Commodities Distribution	TN Department of Agriculture	38,511	-	38,511
10.568	Z-06-028679-01	Commodities Distribution	TN Department of Agriculture Total food donation	99,784 138,295	-	99,784 138,295
12.300		Reserve Office Training Corp (ROTC)	U.S. Department of Navy	73,283	-	73,283
14.218	B-02-UC-47-0002	Community Development Block	HUD	478,053	-	478,053
14.218	B-02-UC-47-0002	Community Development Block	HUD	616,738	-	616,738
14.218	B97-UC-47-0002	Community Development Block	HUD	214,869	-	214,869
14.218	B03-UC-47-0002	Community Development Block	HUD Total community development block grant program	248,130 1,557,790	-	248,130 1,557,790
14.235	TN37B301014	Emergency Mental Health & Detox Program	HUD	194,262	157	194,419
14.235	TN37D150799	Emergency Mental Health & Detox Program	HUD Total emergency mental health & detox program	31,160 225,422	-	31,160 225,579
14.239	MOU4UC470205	Home Entitlement	HUD	206,554	-	206,554
14.239	MOU4UC470205	Community Development Block	HUD	275,768	-	275,768
14.239	M03-UC-47-0003	Home Entitlement	HUD Total home program	15,000 497,322	-	15,000 497,322

The accompanying notes are an integral part of the schedules of expenditures of federal and state and other awards.

SHELBY COUNTY, TENNESSEE

Schedule of Expenditures of Federal Awards (Continued) **For the Year Ended June 30, 2006**

<u>CFDA</u>	<u>Contract Number</u>	<u>Program Name</u>	<u>Grantor or Pass-Through Agency</u>	<u>Federal Expenditures Incurred</u>	<u>Non-Federal Expenditures Incurred</u>	<u>Total Grant Expenditures Incurred</u>
14.243	Y-00-IM-TN-0155	Youth Build	HUD	\$ 55,204	\$ -	\$ 55,204
14.243	Y-02-IM-TN-0097	Youth Build	HUD	326,976	-	326,976
			Total youth build program	382,180	-	382,180
14.900	TNLHD0006-03	City Lead Grant	City of Memphis Housing & Comm. Svcs.	48,481	-	48,481
14.900	TNLHB0244-03	Lead Based Paint	HUD	1,238,719	-	1,238,719
			Total lead base paint program	1,287,200	-	1,287,200
16.202	GG-03-10183-00	Serious and Violent Offenders	TN Department of DCS	436,219	-	436,219
16.523	GG-05-11456-00	Juvenile Accountability Incentive Block Grant	TN Commission on Children & Youth	199,571	-	199,571
16.523	GG-06-12119-00	Juvenile Accountability Incentive Block Grant	TN Commission on Children & Youth	168,341	-	168,341
			Total juvenile accountability incentive block grant program	367,912	-	367,912
16.540	GG-05-11533-00	REACHH	TN Commission on Children & Youth	15,129	-	15,129
16.540	GG-06-12209-00	REACHH	TN Commission on Children & Youth	30,687	-	30,687
			Total REACH program	45,816	-	45,816
16.542	2005-JL-FX-0131	Student Conflict Resolution	Office of Juvenile Justice and Delinquency Prevention	17,394	-	17,394
16.575	Z00099344-01	Bilingual Victim Advocate	Office of Criminal Justice Programs	41,402	-	41,402
16.575	Z00099343-01	Homicide Response Program	Office of Criminal Justice Programs	146,848	-	146,848
			Total homicide response program	188,250	-	188,250
16.579	Z99088338-00	Drug Task Force Byrne Grant	TN Office of Criminal Justice Programs	498,931	-	498,931
16.579	DG-99-01332-06	Pre Trial Day Reporting Center	TN Office of Criminal Justice Programs	93,532	-	93,532
			Total Byrne formula grant program	592,463	-	592,463
16.582	2002-VF-GX-XK015	Linking Neighborhoods	U.S. Department of Justice Office for Victims of Crime	83,955	-	83,955
16.582	Z00001448-01	STOP	TN Office of Criminal Justice Programs	67,569	-	67,569
16.582	2004-WE-AX-0031	Arrest Policies	U.S. Department of Justice Office on Violence Against Women	238,204	-	238,204
16.582	2002-VF-GX-K015	Linking Neighborhoods	U.S. Department of Justice Office for Victims of Crime	31,687	-	31,687
			Total crime victim assistance/discretionary grant	421,415	-	421,415

The accompanying notes are an integral part of the schedules of expenditures of federal and state and other awards.

SHELBY COUNTY, TENNESSEE

Schedule of Expenditures of Federal Awards (Continued) For the Year Ended June 30, 2006

<u>CFDA</u>	<u>Contract Number</u>	<u>Program Name</u>	<u>Grantor or Pass-Through Agency</u>	<u>Federal Expenditures Incurred</u>	<u>Non-Federal Expenditures Incurred</u>	<u>Total Grant Expenditures Incurred</u>
16.588	Z0000140100	First Step to Safety	TN Office of Criminal Justice Programs	\$ 64,791	\$ -	\$ 64,791
16.592	2003LB-BX-2210	Local Law Enforcement Block Grant	U.S. D.O.J. Bureau of Justice Assistance	84,938	-	84,938
16.592	2004LB-BX-0673	Local Law Enforcement Block Grant	U.S. D.O.J. Bureau of Justice Assistance	68,376	-	68,376
			Total local law enforcement block grant program	153,314	-	153,314
16.593	A9908849500	Moral Rehabilitation Therapy	TN Office of Criminal Justice Programs	19,200	-	19,200
16.607		Bulletproof Vest Program	U.S. D.O.J. Bureau of Justice Assistance	30,222	-	30,222
16.609	2003-GP-CX-0515	PSN Programs Attorney General	U.S. D.O.J. Bureau of Justice Assistance	127,082	-	127,082
16.744	2006-PG-BX-0088	Anti-Gang Initiative	U.S. D.O.J. Bureau of Justice Assistance	8,097	-	8,097
16.710	2004-SHWX0182	Cops In Schools 2004	U.S. Department of Justice	135,528	-	135,528
16.710		Public Safety Partnership & Community Policing	U.S. Department of Justice	1,631	-	1,631
			Total	137,159	-	137,159
16.738	2055DJBX1160	Edward Byrne Justice Assistance Grant	U.S. D.O.J. Bureau of Justice Assistance	1,026,057	-	1,026,057
20.205	04ERGR0010	Geospatial Decision Support System	U.S. Geological Survey	24,436	-	24,436
20.205	Z-05-024525-00	Transportation Planning-FHWA	TN Department of Transportation	409,794	24,025	433,819
20.205	Z-06-030936-00	Memphis Metropolitan Planning	TN Department of Transportation	935,610	59,250	994,860
20.205	040-344.00	CMAQ Rideshare	TN Department of Transportation	23,172	5,684	28,856
20.205	79-5303-S3-004	FTA	TN Department of Transportation	2,325	412	2,737
20.205	CM-STP9404(81)	CMAQ Rideshare	TN Department of Transportation	367,131	48,948	416,079
20.205	76008-0700410	Transportation Planning	TN Department of Transportation	17,676	3,078	20,754
20.205	CM-NHE-7900-28	CMAQ Intersection Improvements	TN Department of Transportation	337,721	-	337,721
20.205	79-901-9684-04	Commuter Transportation Assistance Program	TN Department of Transportation	57,489	-	57,489
			Total metropolitan planning program	2,175,354	141,397	2,316,751
20.505	STP-M 7900 (30)	CMAQ MSTO Grant	TN Department of Transportation	26,098	-	26,098
20.505	MS-08-008	MDOT Section 8	MS Department of Transportation	654	-	654
			Total transportation program	26,752	-	26,752
20.600	PT-06-08	Police Traffic Services	TN Department of Transportation	81,280	-	81,280
20.600		State and Community Highway Safety	TN Department of Transportation	2,303	-	2,303
			Total cross over to safety program	83,583	-	83,583

The accompanying notes are an integral part of the schedules of expenditures of federal and state and other awards.

SHELBY COUNTY, TENNESSEE

Schedule of Expenditures of Federal Awards (Continued) For the Year Ended June 30, 2006

CFDA	Contract Number	Program Name	Grantor or Pass-Through Agency	Federal Expenditures Incurred	Non-Federal Expenditures Incurred	Total Grant Expenditures Incurred
20.605	J8-06-03	You DUI Grant	TN Governor's Highway Safety Office	\$ 18,618	\$ -	\$ 18,618
20.605	IN5-06-16	Domestic & Date Violence	TN Governor's Highway Safety Office	2,415	-	2,415
20.605	Z-05-024146-00	Traffic Enforcement	TN Governor's Highway Safety Office	31,864	-	31,864
20.605	Z-05-024145-00	Youth DUI Project	TN Governor's Highway Safety Office	79,126	-	79,126
			Total traffic enforcement program	132,023	-	132,023
47.076		Education and Human Resources	National Science Foundation	25,332	-	25,332
66.001	A004082-05-01	Air Pollution	Environmental Protection Agency	345,875	52,051	397,926
66.001	AO0408206	Air Pollution	Environmental Protection Agency	1,065,976	200,276	1,266,252
			Total air pollution program	1,411,851	252,327	1,664,178
66.034	PM-97475903	Special Air Pollution Section 103	Environmental Protection Agency	60,459	-	60,459
66.034	PM-96437705-0	Special Air Pollution Section 103	Environmental Protection Agency	108,173	-	108,173
			Total special air pollution program	168,632	-	168,632
81.042	Z-05-021680-03	Weatherization	Department of Human Services	773,493	-	773,493
83.524	N14502/CA013024	Biological Response	TN Department of Health & Human Services	16,106	-	16,106
84.010		Improving Basic Programs Operated by LEA's	TN Department of Education	2,116,442	-	2,116,442
84.027		Special Education – Grants to States	TN Department of Education	9,447,309	-	9,447,309
84.041		Impact Aid	U.S. Department of Education	77,206	-	77,206
84.048A		Vocational Education – Basic Grants to States	TN Department of Education	577,798	-	577,798
84.173A		Preschool Grants for Children with Disabilities	TN Department of Education	186,181	-	186,181
84.184	Q184L050266	Safe Schools/Healthy Students	TN Department of Education	3,679	-	3,679
84.184E		Emergency Response and Crisis Management	TN Department of Education	25,091	-	25,091
84.084L		Safe Schools/Healthy Students	TN Department of Education	403,337	-	403,337
84.186A		Safe and Drug-Free Schools and Communities	TN Department of Education	126,395	-	126,395

The accompanying notes are an integral part of the schedules of expenditures of federal and state and other awards.

SHELBY COUNTY, TENNESSEE

Schedule of Expenditures of Federal Awards (Continued) For the Year Ended June 30, 2006

CFDA	Contract Number	Program Name	Grantor or Pass-Through Agency	Federal Expenditures Incurred	Non-Federal Expenditures Incurred	Total Grant Expenditures Incurred
84.195B		Bilingual Education: Training for all Teachers	TN Department of Education	\$ 39,564	\$ -	\$ 39,564
84.213		Even Start	TN Department of Education	114,283	-	114,283
84.255A	Q255A030048	Women in Community Service	U.S. Department of Education	120,242	-	120,242
84.255A	Q255A030048	Women in Community Service	U.S. Department of Education	179,664	-	179,664
		Total women in community service program		299,906	-	299,906
84.215K		FIE Earmark Grant Awards	TN Department of Education	50,837	-	50,837
84.287C		21 st Century Community Learning Centers	TN Department of Education	168,227	-	168,227
84.293B		Foreign Language Assistance Program	TN Department of Education	126,094	-	126,094
84.298A		Innovative Programs	TN Department of Education	147,913	-	147,913
84.318X		Enhancing Education Through Technology	TN Department of Education	250,718	-	250,718
84.365A		English Language Acquisition	TN Department of Education	120,182	-	120,182
84.367A		Teacher and Principal Training and Recruiting	TN Department of Education	894,955	-	894,955
84.938		Hurricane Education Recovery	TN Department of Education	2,062,701	-	2,062,701
93.008	MRC SG030121-03-00	Demonstration Project for Medical Reserve	Department of Health and Human Services- Office of Public Health and Science	50,000	-	50,000
93.008	US2SGHO3079-01-0	Demonstration Project for Medical Reserve	Department of Health and Human Services- Office of Public Health and Science Total medical reserve program	26,076 76,076	- -	26,076 76,076
93.042	C6-02-09316-00	Aging Program - Preventive Health	TN Commission on Aging	941,545	-	941,545
93.042	C6-02-09316-00	Aging Program - Ombudsman Services	TN Commission on Aging Total aging program	47,833 989,378	- -	47,833 989,378
93.043	C6-02-09316-00	Aging Program - Preventive Health	TN Commission on Aging	91,209	-	91,209
93.043	C6-02-09316-00	SHIP I & A	TN Commission on Aging Total aging program	208,854 300,063	- -	208,854 300,063

The accompanying notes are an integral part of the schedules of expenditures of federal and state and other awards.

SHELBY COUNTY, TENNESSEE

Schedule of Expenditures of Federal Awards (Continued) For the Year Ended June 30, 2006

CFDA Contract Number	Program Name	Grantor or Pass-Through Agency	Federal Expenditures Incurred	Non-Federal Expenditures Incurred	Total Grant Expenditures Incurred
93.044	GG607170600	Aging Program - Supportive Services	\$ 1,744,670	\$ -	\$ 1,744,670
93.045	GG607170600	Aging Program - Supportive Services	204,200	-	204,200
93.045	GG607170600	Aging Program - Nutrition Services	588,049	-	588,049
93.045	GG607170600	Aging Program - Nutrition Services	527,449	-	527,449
		Total aging program	1,319,698	-	1,319,698
93.052	GG607170600	Aging Program	35,600	-	35,600
93.053	C6-02-09316-00	Aging Program-NSIP	392,280	-	392,280
93.116	GG-04-10467-00	TB Outreach	3,954	-	3,954
93.116	GG-06-11974-01	TB Outreach	1,032,300	81,700	1,114,000
		Total tuberculosis outreach program	1,036,254	81,700	1,117,954
93.130	GG-05-11097-00	Health Planning	1,587	-	1,587
93.197	GG-05-11097-00	CDC Lead Grant-Childhood Poisoning	445	-	445
93.197	GG-06-11910-01	CDC Lead Grant-Childhood Poisoning	229,640	17,893	247,533
		Total childhood poisoning program	230,085	17,893	247,978
93.217	GU-06-03317-00	Family Planning	566,800	-	566,800
93.243	4H79SM55058-03	SAMHSA Co-Occurrence	276,904	-	276,904
93.243	6H79TI16384-01	SAMHSA Co-Occurrence	276,677	-	276,677
93.243	6H79TI16384-01	SAMHSA Co-Occurrence	30,126	-	30,126
		Total SAMHSA program	583,707	-	583,707
93.268	GG-05-11097-00	WIC Immunization	185	-	185
93.268	GG-05-11097-01	WIC Immunization	135,924	2,519	138,443
93.268	GG-06-12157-00	Immunization	378,910	4,570	383,480
		Total immunization program	515,019	7,089	521,923

The accompanying notes are an integral part of the schedules of expenditures of federal and state and other awards.

SHELBY COUNTY, TENNESSEE

Schedule of Expenditures of Federal Awards (Continued) For the Year Ended June 30, 2006

CFDA	Contract Number	Program Name	Grantor or Pass-Through Agency	Federal Expenditures Incurred	Non-Federal Expenditures Incurred	Total Grant Expenditures Incurred
93.283	GG-06-11915-00	Central Lab/BOP Terrorism	TN Department of Health	\$ 27,449	\$ 81,900	\$ 109,349
93.283	GG-05-11909-00	Chempack Storage	TN Department of Health	3,944	-	3,944
93.283	GG-05-11011-00	Homeland Security Bioterrorism	Department of Health	3,423	-	3,423
93.283	GG-06-12168-00	Homeland Security Bioterrorism	Department of Health	730,002	108,499	838,501
93.283	GG-06-11911-00	Tobacco Risk	TN Department of Health	63,600	1,565	65,165
			Total CDC-investigations and technical assistance program	828,418	191,964	1,020,382
93.399	GG-06-11977-00	Breast and Cervical Cancer	Department of Health	59,200	2,000	61,200
93.558		Early Childhood Education Pilot Project	TN Department of Education	64,571	-	64,571
93.563	GG06-11967-00	Child Support IV-D	Department of Human Services	9,462,845	1,270,166	10,733,011
93.568	Z-05-021704-04	LIHEAP	Department of Human Services	5,625,701	-	5,625,701
93.568	Z-05-021680-03	LIHEAP Weatherization	Department of Human Services	459,349	-	459,349
			Total LIHEAP program	6,085,050	-	6,085,050
93.569	Z-05-020698-01	Community Services Block Grant	Dept. of Health & Human Services	2,309,502	-	2,309,502
93.569	Z-00-093423-01	Community Services Block Grant	Dept. of Health & Human Services	-	55,326	55,326
			Total community services grant	2,309,502	55,326	2,364,828
93.600	O4CH3447	HeadStart	Dept. of Health & Human Services	14,445,537	-	14,445,537
93.600	O4CH3447-39	HeadStart	Dept. of Health & Human Services	12,872,670	-	12,872,670
			Total HeadStart program	27,318,207	-	27,318,207
93.917	GG-06-12259-00	HIV Case Management	Department of Health	49,295	-	49,295
93.917	GG-05-11833-00	HIV Case Management	Department of Health	170,516	6,165	176,681
			Total HIV case formula grant program	219,811	6,165	225,976
93.918		Early Intervention	Department of Health	350,000	-	350,000
93.926	H49MC00036-05	Healthy Start Initiative	U.S. Department of Health & Human Services - Material & Child Bureau	534,038	29,600	563,638
93.958	GG-06-11881-00	Mentally Ill Inmate Services FY01	TN Office of Criminal Justice Programs	100,999	-	100,999
93.959	GG-06-11979-00	Community Prevention Initiative for Children	TN Department of Health	171,812	-	171,812
93.959	GG-06-12340-00	Community Prevention Initiative for Children	TN Department of Health	90,878	2,710	93,588
			Total	262,690	2,710	265,400

The accompanying notes are an integral part of the schedules of expenditures of federal and state and other awards.

SHELBY COUNTY, TENNESSEE

Schedule of Expenditures of Federal Awards (Continued) For the Year Ended June 30, 2006

CFDA	Contract Number	Program Name	Grantor or Pass-Through Agency	Federal Expenditures Incurred	Non-Federal Expenditures Incurred	Total Grant Expenditures Incurred
93.977	GG-05-024062-00	HIV	TN Department of Health	\$ 953,363	\$ 16,772	\$ 970,135
93.977	Z-06-031124-00	HIV	Department of Health	874,038	-	874,038
			Total state VD program	1,827,401	16,772	1,844,173
93.991	GG-05-11097-00	Health Risk Reduction	TN Department of Health	271	-	271
93.991	GG-06-11979-00	Community Prevention Initiative	TN Department of Health	24,890	4,693	29,583
93.991	GG-06-11911-00	Health Risk Reduction	TN Department of Health	110,221	-	110,221
			Total	135,382	4,693	140,075
93.994	GG-06-11975-00	Newborn Outreach	TN Department of Health	-	20,100	20,100
93.994	GG-05-11097-00	Children's Special Services	Department of Health & Human Services	15,712	-	15,712
93.994	GU-06-03317-00	Family Planning	Department of Health & Human Services	421,744	-	421,744
93.994	GG-06-00978-00	Children's Special Services	Department of Health & Human Services	441,563	31,609	473,172
93.994	GG-06-11978-00	Care Coordination	TN Department of Health	370,411	27,479	397,890
93.994	GG-06-12013-00	HUGS - Help Us Grow Successfully	TN Department of Health	160,643	18,700	179,343
			Total children's special services	1,410,073	97,888	1,507,961
94.002	05SRSTN001	Retired and Senior Volunteer Program	Corporation for National Community Service	46,882	-	46,882
97.004	Z-04-022493-01	FY2004 Office of Domestic Preparedness	Department of Homeland Security	856,854	-	856,854
97.004	Z-04-020145-00	First Responders for Weapons of Mass Destruction	Department of Homeland Security	1,973,050	-	1,973,050
97.004	Z-04-020192-00	FY2003 Part II Planning/Admin	Department of Homeland Security	39,306	-	39,306
			Total community service program	2,869,210	-	2,869,210
97.006	Z-04-019759-00	CBRNE Drills	Department of Homeland Security	52,816	-	52,816
97.007	GG-04-11084-00	Hazardous Material Emergency Planning Grant	Department of Homeland Security	9,512	-	9,512
97.008	GG-05-11548-00	FY2003 UASI Equipment	Department of Homeland Security	4,944,530	-	4,944,530
97.008	GG-06-12142-00	FY2004 UASI ODP	Department of Homeland Security	290,111	-	290,111
97.008	CC-05-11504-00	FY2004 UASI	Department of Homeland Security	1,523,555	-	1,523,555
97.008	CC-05-11504-00	FY2004 UASI Equipment	Department of Homeland Security	374,054	-	374,054
97.008	GG-05-11505-02	FY2003 UASI Training	Department of Homeland Security	81,437	-	81,437
97.008	GG-05-11562-00	FY2003 UASI Equipment	Department of Homeland Security	34,447	-	34,447
			Total UASI equipment program	7,248,134	-	7,248,134
97.044	EMW-2004-FG-12980	Fire Grant	Department of Homeland Security	10,740	-	10,740
97.071	CA060488	Environmental Health Services	Department of Homeland Security	52,270	-	52,270
			Total federal awards	\$108,852,260	\$ 2,342,828	\$111,195,088

The accompanying notes are an integral part of the schedules of expenditures of federal and state and other awards.

SHELBY COUNTY, TENNESSEE

Schedule of Expenditures of State and Other Awards For the Year Ended June 30, 2006

Contract Number	Program Name	Grantor Agency	Expenditures Incurred
	City Courts Child Safety Seats	City of Memphis City Courts	\$ 152,917
	United Way HIV Nutrition	United Way of Mid South	22,500
CG-02-09316-00	Aging Program State HCBS	TN Commission on Aging	597,484
CG-02-09316-00	Aging Program State Senior Centers	TN Commission on Aging	116,229
CG-02-09316-00	Aging Program State Waivers	TN Commission on Aging	101,546
CG-02-09316-00	Aging Program State Waivers	TN Commission on Aging	166,147
CG-02-09316-00	Aging Program State Waivers	TN Commission on Aging	26,829
CG-02-09316-00	Aging Program State Waivers	TN Commission on Aging	102,198
CG-02-09316-00	Aging Program State Waivers	TN Commission on Aging	55,500
	Down Payment Assistance Program	TN Housing Development Agency	49,496
	Down Payment Assistance Program	TN Housing Development Agency	129,454
	TDOT Roadside Litter Grant	TN Highway Beautification Office	229,661
Z-06-028009-00	Methodist Youth Care HIV Program	Methodist – LeBonheur Healthcare Foundation	8,709
CA053261	Methodist Youth Care HIV Program	Methodist – LeBonheur Healthcare Foundation	31,058
CA053261	Operation Warm Homes	TN Department of Human Services	945,000
Z-06-031284	CSA – Special Funding	TN Department of Human Services	14,961
CA061521	CSA – Special Funding World Overcomers	TN Department of Human Services	16,160
	Tire Recycling	TN Department of Environment & Conservation	735,717
Z-03-011369-00	Robert Wood Johnson Health	TN Health Care Campaign	37,136
CA052761	City Schools Nursing	City Board of Education	174,099
	County Schools Nursing	County Board of Education	978,101
	Chickasaw Basin Authority Operations	State of Tennessee	60,725
	Industrial Development Board	Industrial Development Board	309,692
	Industrial Development Board	Industrial Development Board	233,588
2004-MP-A1439	Metropolitan Medical Response Systems	City of Memphis	55,999
	Integrated Delivery System	Health Loop – The Regional Medical Center	3,153,551
Z06002645-00	Court Appointed Special Advocate	TN Commission on Children & Youth	9,000
GU-02-02865-00	Juvenile Offenders Residential Care & Treatment	TN Department of Children's Services	6,689,940
GG-0612010-00	Child Support IVD	TN Department of Human Services	458,455
06-009	Safe Haven Grant	TN Department of Health	2,745
GG-05-11834-00	Tendercare Outreach	TN Department of Health	52,195
GG-06-11973-00	Tendercare Outreach	TN Department of Health	581,576
	EPSDT	TN Department of Health	1,293,030
GG-06-11885-00	TennCare Dental Program	TN Department of Health	1,511,616

The accompanying notes are an integral part of the schedules of expenditures of federal and state and other awards.

SHELBY COUNTY, TENNESSEE

Schedule of Expenditures of State and Other Awards (Continued) **For the Year Ended June 30, 2006**

<u>Contract Number</u>	<u>Program Name</u>	<u>Grantor Agency</u>	<u>Expenditures Incurred</u>
GG-06-11911-00	Health Planning	Department of Health & Human Services	\$ 143,044
04-046-R05	Gun Violence Media Campaign	The Assisi Foundation	50,000
GG-06-03311-00	Newborn Outreach	TN Department of Health	347,250
	Shelby County Drug Court	City of Memphis Police Department	75,000
	State-Public Guardianship - Fee Account	TN Commission on Aging and Disability	79,792
GG-06-12505-00	State Grant in Aid	TN Department of Health	917,800
GG-06-11943-00	Child & Family Intervention	TN Department of Children Services	90,250
	United Way HIV Nutrition	United Way of Mid South	<u>16,500</u>
		Total state and other awards	<u>\$ 20,822,650</u>

The accompanying notes are an integral part of the schedules of expenditures of federal and state and other awards.

SHELBY COUNTY, TENNESSEE

Notes to the Schedules of Expenditures of Federal and State and Other Awards June 30, 2006

Note 1 - Basis of presentation

The schedules of expenditures of federal and state and other awards include the transactions related to the receipt of federal awards by Shelby County, Tennessee (the "County") and its component units receiving federal awards that do not issue separate financial statements under OMB Circular A-133. Accordingly, the Shelby County Board of Education and the Shelby County Healthcare Corporation, both component units of the County, are included in the schedule for the year ended June 30, 2006. The schedule also includes transactions of the County related to the receipt of state awards and designated contributions from individuals, corporations, foundations, and other groups. Such state awards and designated contributions received by the County's component units are not included in the schedule of expenditures of federal awards.

The schedules of expenditures of federal and state and other awards are presented on the modified accrual basis of accounting, consistent with accounting for governmental type funds. Under this basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they are "measurable and available"), which is generally when the allowable program expenditures are incurred. Expenditures and transfers out are recorded when the related program liability is incurred, except for certain compensated absences.

Note 2 - Reconciliation of the schedules of expenditures of federal and state and other awards to the financial statements

The following is a reconciliation of expenditures per the schedules of expenditures of federal and state and other awards to the expenditure balances in the grant fund, per the County's financial statements.

Totals per Schedules of Expenditures:	
Federal expenditures	\$ 108,852,260
Non-federal expenditures	2,342,828
State and other awards	20,822,650
Total Board of Education grants	(22,426,348)
Total Shelby County Healthcare Corporation grants	(350,000)
Transfers to other funds	<u>(10,535,652)</u>
Total grant fund expenditures	<u>\$ 98,705,738</u>

SHELBY COUNTY, TENNESSEE

Notes to the Schedules of Expenditures of Federal and State and Other Awards (Continued) **June 30, 2006**

Note 3 - Non-cash assistance

Non-cash assistance is included in the schedules of expenditures of federal and state and other awards. The amount received and expended in the current year is \$22,250,904 and \$28,345,365, respectively.

Note 4 - Program types

The threshold for distinguishing types A and B programs was \$3,265,568.

SHELBY COUNTY, TENNESSEE

Schedule of Findings and Questioned Costs For the Year Ended June 30, 2006

A. Summary of Audit Results

1. The auditors' report expresses an unqualified opinion on the financial statements of Shelby County, Tennessee.
2. No reportable conditions relating to the audit of the financial statements are reported in the Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements in accordance with *Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements of Shelby County, Tennessee were disclosed during the audit.
4. No reportable conditions or material weaknesses were noted during the audit of the major federal award programs.
5. The auditor's report on compliance for the major federal award programs for Shelby County, Tennessee expresses an unqualified opinion on all major federal programs.
6. Audit findings that are required to be reported in accordance with OMB Circular A-133 are reported in this schedule. The audit did not disclose any audit findings related to major programs that are required to be reported under OMB Circular A-133.
7. The programs tested as major programs included:

10.553/10.555	Child Nutrition Cluster
84.938	Hurricane Education Recovery
93.600	Head Start
97.004	State Domestic Preparedness Equipment Support Program
97.008/97.042	Home Land Security Grant Cluster
8. The threshold for distinguishing Type A and B programs was \$3,265,568.
9. Shelby County, Tennessee was determined to be a low risk auditee.

SHELBY COUNTY, TENNESSEE

Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2006

B. Findings - Financial Statement Audit

NONE

C. Findings and Questioned Costs - Major Federal Award Programs Audit

NONE

SHELBY COUNTY, TENNESSEE

**Summary Schedule of Prior Year Audit Findings
June 30, 2006**

There were no prior year audit findings.